

INSIDE:

WHY THE QUEEN IS ANGRY



Maclean's

JULY 28, 1986

CANADA'S WEEKLY NEWS MAGAZINE

\$1.75

The Stars of Summer



**'Heartburn' actors
Meryl Streep and
Jack Nicholson**



30

Anthony Michael Hall is Daryl Cage.
Eighteen years on an Iowa farm
never prepared him for a summer in L.A.



Out of BOUNDS

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OPENS JULY 25 AT SELECT THEATRES.

CANADA'S WEEKLY NEWSMAGAZINE

Maclean's

JULY 26, 1994 VOL. 90 NO. 30

COVER

The stars of summer

In summer, movie audiences seek frothy entertainment. This season, comedies dominate the leaders at the box office. One of them, *Boyz n the City*, based on Nora Ephron's novel and starring Meryl Streep and Jack Nicholson, represents an astonishing transformation of private lives into public amusement. —Page 32

COVER PHOTO BY JEFF KOBEL/REUTERS/PHOTOS
PAGE 32 PHOTO BY JEFF KOBEL/REUTERS/PHOTOS



A divisive royal showdown

Margaret Thatcher's refusal to enact sanctions against South Africa threatened Commonwealth unity—and provoked experts of conflict in Buckingham Palace. —Page 13



Turn Commonwealth ties

Opposition to Britain's South Africa policies has led to a boycott of the All-Commonwealth Games on the part of at least 18 countries, including Nigeria and Kenya. —Page 41



The borderline loophole

Selling U.S. military equipment to embargoed nations has been turning a profit for unscrupulous businessmen exploiting the open Canadian border. —Page 8



Fergie plays hooky

While fiancé Prince Andrew enjoyed his bachelor party, Sarah Ferguson took a break from preparation for their July 29 wedding and went nightclubbing. —Page 31

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LETTERS

Doctors strike out

With regard to the doctors' strike ("Reaching the boiling point," Canada, June 30), one cannot oppose the recent action of the government of Ontario without also having opposed the Canada Health Act of April, 1984, that was the cause of these striking doctors' threat. The act, in point of fact, passed uncontested through the House of Commons in Ottawa—a rare feat for any legislation. Could all the doctors in Canada really not have successfully lobbied even one member of the House? The government of Ontario has done nothing more than fulfil an obligation which previous governments have been too weak to fulfil.

—IRA MURRAY,
Kelowna, B.C.

Perhaps because so many of us are doctors as members of an elite group with whom we share few common interests, Ontarians have chosen to disregard the real issue behind the doctors' strike: Only 12 per cent of Ontario's doctors do extra-bill their patients, but as many as 90 per cent of those who have joined in the union protest. That demonstrates that the doctors use what many others choose not to—that by allowing the government to dictate to them, we have all become a little less free.

—ROSEMARY WANDERBOLD,
Barrie, Ont.

The noises coming out of the CMA are highly reminiscent of that sorry spectacle staged by our Saskatchewan doctors in 1982. The cry then, as now, was freedom to practise medicine without government interference, which is as ludicrous now then as it is now. Doctors already



Ontario doctors: a little less free

are among the country's highest income earners. It is pretty obvious that the health care they are mostly concerned with is the state of health of their bank accounts.

—WILLIAM LINDENBAUM,
Windsor, Sask.

No sex for sale

In Allan Fotheringham's "The prudes are in full swing" (Column, June 30), the Rich in Value Grouping had nothing to do with the decision of consumer stores and advertisers to delete pornography magazines. T-Elven quit selling Playboy and Hustler on grounds of customer preference, not censorship. The marketplace, not Parliament, ultimately determines what buys what, and where, on a free society. What's the problem? He fails to understand shoppers who don't want sex served up with their Aspirin.

—GAIL R. ARMSTRONG, PH.D.,
Princeton, Royal College,
Vancouver

Honoring a hero

Dave Currie may have been "known to the general public as the man who carried the mace at the opening of daily sessions of Parliament" (Panorama, July 7), but he was known to me as a brother officer in the 29th Canadian Armoured Reconnaissance Regiment (South Alberta Regiment) and as the officer in command of a task force that successfully helped to bottle up the German VII Army as the "Palace Guard" was closed during the Second World War in the vicinity of St. Lambert-Sau-Étienne, in which he was awarded the Victoria Cross. I am disappointed that this fact was missed. Our real heroes deserve much more than this.—COLIN S. TOWN, M.A.,
Toronto

Letters are edited and may be condensed. Writers should supply name, address and telephone number. All correspondence for Letters to the Editor: Reader's magazine, Maclean's Reader's Box, 777 Bay St., Toronto, Ont. M5W 1A7.

PASSAGES

DIED: Journalist and Canadian Press veteran John LeBlanc, 75, a man of few words in conversation but whose reporting and writing skills were judged by his colleagues to be among the best in the profession; after a brief illness, in Sydney, N.S. LeBlanc started work with the Sydney Post in 1959 and in 1965 he joined C.P.'s Halifax bureau as a 151-a-week reporter, launching a career with the national news agency that lasted 41 years, with postings in Owen Sound, Montreal, Ottawa and London. He called LeBlanc's writing style "clear and direct, but when you read his copy you understand why his vivid descriptions of people and places and the memorable images they created. LeBlanc retired from C.P. in 1978, then joined the Cape Breton Post in Sydney in 1981 to write editorial and as a columnist. He returned for the second time two years ago. Said close friend Gilles Paré, retired general manager of C.P. and LeBlanc's boss for most of his career: "From the time he first joined C.P., John's writing had class—and it got classier."

DIED: By Edmonton's show jumper Gail Greenough, 35, the show-jumping, gold-medal world championship title, after completing four perfect rounds, three performed on her opponent's horse and one on her own mount, Mrs. B. in Aachen, West Germany. Greenough, who made lastingly before a hushed crowd of more than 62,000, including Princess Anne, is the first Canadian and the first woman ever to win the title. She had been given the least chance of any of the Canadian participants to win, having ridden in only one other major international event, the World Cup held last April in Göteborg, Sweden, where she came 25th.

DIED: Actress Florence Baker, 68, who played the tough-tongued, worldly-wise court buffoon on the TV series Night Court, of cancer, in Los Angeles. Baker, who also appeared on TV's 30. Show where, took over the buffoon role last year from Selma Diamond, who died of cancer at 64.

APPOINTED: Conservative backbench MP James McGrath, 64, who for 29 years represented the New Brunswick riding of St. John's East, as lieutenant-governor of Newfoundland, effective in early September. McGrath, a former broadcast executive, was first elected to Parliament in 1957, then re-elected in 1968 and 1982. He was defeated in 1985 but was elected again in 1988 and in every election since. McGrath said openly that he had a ambition to become a cabinet minister in Prime Minister Brian Mulroney's government.

Q&A: BENJAMIN NETANYAHU

Standing up to terrorists

Has Israeli been seen as the most vocal of terrorism—the police—and the tradition of conflict—because if they were, they would not engage in this type of violence. Terrorists are bullies, they are cowards. When you are dealing with bullies, there is no substitute for standing up to the bully. Mechanism's flow can go on and on to terrorists without raising civilian casualties? Netanyahu: Civilian casualties are inevitable because terrorists not only kill civilians, they have behind them. They are the terrorist training camps in Nine Forks and the uncompromising attitude that he believes are necessary to defeat terrorism.

Mechanism's: Why is it a bad policy to listen to terrorist demands? Netanyahu: Terrorists do not seek compromise. They seek capitulation—to overthrow the government they're fighting against. They, or the regimes they represent, are not interested in the act of politics—that is, the neutral resolution of conflict—because if they were, they would not engage in this type of violence. Terrorists are bullies, they are cowards. When you are dealing with bullies, there is no substitute for standing up to the bully. Mechanism's flow can go on and on to terrorists without raising civilian casualties?

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Netanyahu bullies

respond. Civilian casualties—which you say is inevitable in the greatest extent possible—are inevitable. It is just about any military engagement and should not deter governments from taking action.

Mechanism's: Does poverty or political oppression lead to terrorism? Netanyahu: That's a cop-out. There are plenty of grievances around the world. Many of them may have legitimate roots, but that is not the point. The civilized world has decided that there are certain ways that are unacceptable in waging war, and one of those is the deliberate and systematic attack on civilians.

Mechanism's: From North Americans are revolting to Europe because of fears of terrorism. How does this accord with your view of civic valor—or—the courage that should be shown by an entire people?

Netanyahu: It doesn't. It doesn't follow in a moral sense to let Gadafi be your travel agent, and it doesn't follow in a pragmatic sense. It is less safe to cross the streets of some North American cities than to travel by air in Europe.

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SIMPLY OUTSTANDING

ENTRE-LACS AND EXPO



COLUMN

The incredible shrinking dollar

By Dian Cohen

Canadians depend on exporting goods to the United States for their standard of living. But Washington has embarked on a set of policies designed to keep selected exports out of the country. The main action is directed against Japan, which has a trade surplus with the United States of \$55 billion. But Canada, with a trade surplus of \$18.6 billion, is in jeopardy too.

American policymakers have acted as though they believed that the instability of American manufacturing companies to compete was the result of a too-expensive U.S. dollar. So nearly a year ago they forced down the value of the then high-flying currency. This action was meant to perform several functions. First, by making the U.S. dollar cheaper in terms of marks, yen and francs, U.S. goods would become cheaper and therefore easier to sell abroad. Second, by making marks, yen and francs more expensive in terms of U.S. dollars, foreign goods would appear less attractive to Americans, who would then switch to domestically made goods.

Since then, the U.S. dollar has lost 36 per cent of its value abroad, but the American trade deficit with Japan has failed to improve. Some people are beginning to think that it never will improve and that, because the premise of devaluation is wrong, the U.S. trade deficit will continue to grow—prompting lawmakers to adopt more draconian measures of protection.

Here is how the policy should have worked. The 35-per-cent appreciation in the value of the yen since last September should have made Japanese exports less attractive to American buyers. A fall in demand should have prompted Japan to reduce its shipments by as much as 40 per cent in 1986, thereby preventing the dollar members of the U.S. trade deficit from rising. For the dollar benefits of the deficit to go down, the cut in shipments would have had to be as much as 50 per cent.

But that is not happening. Japan's main exports to the United States include cars, video cassette recorders and computer memory chips. American consumers have proven willing to pay a higher price for these goods. With continuing demand, Japanese manufacturers have had no reason to reduce their export volume. The same

Japanese passenger car manufacturers will ship more than two million cars in 1986, approximately as many as they did in 1985. It does not take much mathematical wizardry to recognize that if the volume remains the same but the price paid up by 35 per cent, the bottom line is that the dollar value of that trade will go up. If the yen stays around 160 to the American dollar, the U.S. trade deficit with Japan could rise by close to \$30 billion.

That's bad enough, but there's more. The currencies of many of the Far East's newly industrialized countries, or NICs (South Korea, Taiwan, Singapore, for example) are more or less pegged to the American dollar. So when the dollar's value drops, the NIC's products become cheaper. These countries' trade surpluses with the United States will expand before the end of this year. Meanwhile, many Japanese and many U.S. companies operating in Japan have

It is essential to understand that there is more to dealing with trade imbalances than fiddling with exchange rates

moved their headquarters to use as a base of the NICs. Although the country of origin will not be Japan, the trade surplus of all the Far Eastern countries together will continue to grow.

As these trade surpluses continue, there will be mounting U.S. pressure to make the yen even more expensive. On the basis of the American response to a wide variety of Canadian exports, it is not difficult to imagine a similar scenario in which the U.S. officials demand a similar increase in the value of the Canadian dollar. That could spell disaster, since our competitiveness relies on a cheap Canadian dollar.

It is essential to recognize that there is more to trade imbalances than fiddling with exchange rates. As Kenneth Goss, managing director of McKinsey & Co. in Japan, pointed out recently, the definition of what is foreign may have to change. For example, he asks, is the \$5 billion in Japanese exports to the United States sent by American companies operating in Japan foreign? Should the \$95 billion of components produced in Japan for inclusion in larger U.S.-built products be

counted as Japanese exports? Goss asks an important point when he says that the NICs erasing their own trade surpluses with the United States "are not 'new Japan,' ready to become competitors of the United States." Added Goss: "Taiwan's economy, for example, rests on exports to Japan, Japanese multinationals and thousands of cottage industries serving them. These countries have become part of the American manufacturing sector." There are no corporate nationalities now. This American and Canadian reach plants exist in Japan, Taiwan and Malaysia and Japanese car TV manufacturers produce in California and Tennessee.

The solution to restoring trade balances rest less with forcing currency changes and more with understanding how much the world has been modified in the past dozen years. Two decades of inflation have imposed significant changes. Before 1965 investors made their choices on the basis of a conservative economic viability. But since inflation has destroyed our concept of what has value, investors have shifted their perspective from being interested in the business itself to being interested simply in the short-term return on investment. The mood of uncertainty and a lingering fear of a return to our recent inflationary past have made company directors wary of making heavy capital expenditures such as retooling and modernizing plants. Even now, after a year of low interest rates, low inflation and low energy prices, the attitude prevails that investing in manufacturing is a risky business.

We in Canada have been equally reluctant to face this fact, and now we must cope with declining industries that need to be retooled if we are going to have anything to sell to the world in another 30 years.

The United States, meanwhile, has managed to debate not only itself but the rest of the world in maintaining that the expensive U.S. dollar is at the heart of the problem. Canada could do a great service to itself and possibly its neighbor by embracing an action plan that includes rebuilding Canadian manufacturing industries. If we do not succeed, we stand to be caught in the cross-fire of a global war of the superiority of developing countries and shut out by American protectionism.

Dian Cohen is a Montreal-based economics writer.



Lucrative lawbreaking

The cargo was sensitive—11 sealed neutron micro-wave tubes, valued at \$50,000 each, for use in radar air defense. The trader had been meticulously planned, tracked to Montreal from an American wholesaler in Newark, N.J., shipped to Turkey and smuggled across the border into Iran. But even as the conspiracy began, the USSR and the U.S. Customs Service had made Montreal businessman Metin Tahir, 51, the target of an undercover investigation.

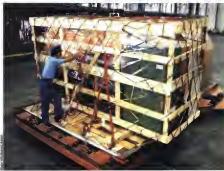
The Turkish-born owner of Black Gold International Communications Inc., an electronics import-export firm, Tahir was what law enforcement officials call a "30-per center," the suspected middleman in an operation to ship the tubes to Iran. His motive, to share in an estimated \$500,000 profit from the sale. But last Dec. 2, Tahir was arrested by U.S. Customs agents near Newark, after meeting customs operatives to finalize the deal. Said special agent Arthur Klink, who re-opened the investigation: "Tahir had no ties at all to any political factions. It was strictly a dollars-and-cents arrangement."

Tahir's arrest and subsequent conviction on July 5 to two years in prison focused attention on how enterprising middlemen ease Canada to circumvent American law. Said David Adam, director of Canada's export controls division of the external affairs department: "Our concern is that because of our open border, Canada is being used as a back door to move American technology to unfriendly countries." Officials on both sides of the border say there are many middlemen willing to risk fines and jail sentences to reap the lucrative profits available by diverting strategic parts and weapons to embargoed countries like Iran and Iraq.

These profits are growing, say U.S. Customs officials, largely because clandestine purchasers are willing to pay huge markups to acquire Western technology. While the Soviet Union

and its East Bloc allies are the main markets for sophisticated electronics and computer parts, other countries have added to the recent demand. Among them is Pakistan, which is alleged to be seeking parts for an embryonic nuclear weapons program. Iran has also been trying to obtain spare

• The Jan. 28 arrest in a Toronto hotel of Helmut Goldschick, an Austrian later convicted in the United States of conspiracy to export \$110 million worth of 200 missiles and Cobra military helicopters to Iran via Belgium. Goldschick, the target of a sting operation by U.S. Customs agents operating



Canada Customs agents inspecting cargo, caught in an Airborne relay for American products.

out of Buffalo, was recorded on videotape discussing the possibility of exporting the weapons through Canada.

The spotlight in a Boston court in March of Leslie Klink, an Ottawa businessman charged along with 11 other Canadians, Swiss and West German defendants with 22 counts of conspiracy to divert American-made computer systems to the Soviet Union through Canada between 1979 and 1982. Klink insisted that he was unaware of the destination.

The illicit arms trade is a major concern for Canadian officials. In January, 1983, Ottawa set up the Enhanced Export Control Program, requiring more stringent application of Canadian export laws by customs officers. Since the program began operating last August, the number of denials has soared to

almost 1,600 from fewer than 100 in the same period the year before. "For 30 years the controls were applied in a half-hearted way, relying on the importer to voluntarily disclose what he was shipping and where," said export control chief Adam. "Now, we are finally getting some teeth into our law."

The campaign to tighten Canadian controls was partly a response to pressure from the U.S. government. Foreign reports issued in 1982 and 1985 contended that Soviet espionage agents have established an extensive network of contacts and front companies in the United States aimed at acquiring sophisticated technology, particularly computer and digital electronics systems. In 1981 President Ronald Reagan

under Canadian law had said a U.S. Customs agent who worked on the case "But opened our eyes to the problem north of the border." Since then, Canadian officials have shown an increased willingness to assist in the American crackdown. When Goldschick flew to Toronto to finalize the purchase of missiles and helicopters, American agents were able to arrange extradition papers in 24 hours. Said Walter Kierly, a U.S. Customs agent who worked on the case: "The co-operation from Canada was unbelievable."

Despite tighter controls, the operations are continuing. Said Jack Winter, a Montreal lawyer who prepared the unsuccessful 1984 case against

ation, is produced to demonstrate the final destination of goods because the material is often diverted among several companies, leaving a complicated trail of paperwork. Police have sometimes found it difficult to prove conspiracy charges in court.

It has been even more difficult to get convictions in Canada. In the most celebrated case of its kind, in 1984 Ottawa charged two Montreal businessmen with an engineer with conspiracy to export high-speed electrical inverters—used in the production of missile weapons-grade uranium—to Pakistan. When the Crown failed to prove that the accused men knew that the inverters would be used for Pakistan's atomic program, one man was acquitted and the two others convicted on the minor technical charge of failing to acquire an export permit.

These legal setbacks have led customs agents to launch more aggressive sting operations, which attempt to record the middleman's overtures to buy restricted goods. For that, police and customs officers rely on the manufacturers themselves to alert them to suspicious purchases. In the case of Tahir, whose \$10-million shipment list also included jet aircraft electronic seats and radar for the F-14 fighters used by Iran's air force, agents were alerted by a small wholesaler after Tahir approached him to buy the tubes. Undercover U.S. agents posing as suppliers later contacted Tahir. Over the next five months they videotaped Tahir discussing his plan to divert the parts to Iran.

In the Klink case, the Ottawa businessman was charged with violating U.S. law even though the Canadian government had provided him with an export license to ship Dughi's computer equipment to West Germany. "I did not do it," Klink told Klink's lawyer. "What do I need to get a Canadian government permit if I can still be prosecuted in the United States?" They are violating the sovereignty of this country, and the government lets them do it."

But Canadian officials maintain that it is the country's national interest to assist in the American crackdown. Said Adam: "If we are to enjoy the benefits of untapped access to U.S. technology, we must make sure it is denied to countries where the Third States does not want it to go."

—MICHAEL WALLACE in Montreal



Colony helicopters, a back door through Canada to bypass American arms-export embargoes.

created Operation Rhodes, a special branch of the Customs Service, to combat what he called "the massive hemorrhage of American technology to the Soviet Union." But some directors, aware that there were few restrictions on shipping U.S. high-technology goods to Canada, encouraged the crackdown by using Canadian middlemen to re-export the parts and forward them to the embargoed countries.

The Canadian connection gained notoriety in 1978 when U.S. Customs officers arrested Gerald Bell, a brilliant aeronautics engineer and artillery expert who was later convicted of illegally selling arms to South Africa. But although Bell operated his Space Research Corp. from an \$800-acre compound near St. Lawrence, Que., close to the U.S. border, he was never charged

three Canadians charged with exporting parts to Pakistan for its atomic weapons program. The political will to stop proliferation is undercut by the thousands of businessmen willing to fill orders to make a buck.

The rewards for illicit sales to Iran are particularly large. That country's six-year war with Iraq has made its leaders so desperate for replacement parts for its U.S.-designed military equipment that it pays up to four times the market value for some strategic components.

According to U.S. Customs sources, most deals are paid for by letters of credit drawn on Swiss bank accounts. As well, the offer to purchase usually includes the production of fraudulent end-user certificates. Both Canadian and U.S. export laws require that doc-

Sensational paper-chasing

The tensions and the stakes were clear from the start. For one thing, David Scott, chief counsel for the judicial inquiry into the affairs of former federal cabinet minister Stephen Stoen, declared that federal civil servants were seeing arid important government documents—to protect secret cabinet correspondence from public disclosure. Then, Stoen's lawyer, John Supina, delivered a series of oral affidavits against allowing live television coverage of the public hearings. Declared Scott after the first day of testimony last week, "It is going to be a dogfight the whole way."

The commission, chaired by Ontario High Court Judge William Parker, was appointed by Prime Minister Brian Mulroney on May 15. Stoen himself had asked for the inquiry in the wake of allegations that he had breached conflict-of-interest guidelines while serving as industry minister from 1984 until the former forced his resignation from the cabinet on May 12.

Last week Scott and his legal team wrote through thousands of documents—including 3,000 five-inch-thick files from the industry department alone—that have already been submitted to the commission, when the proceedings opened, Scott distributed to 14 lawyers representing interested parties to the inquiry a 29-page list of allegations against Stoen.

At the heart of these allegations was a \$5.6-million loan to one of the former minister's family companies. The loan, negotiated by Stoen's wife and his business partner, Noreen, was from Aetna Capital, re-funder of Magna International Inc., the Markham, Ont.-based auto parts company that last year received \$139 million in grants from Stoen's department. Other charges claimed that Noreen Stoen, vice-president of the real estate arm of the family-owned York-Century Corp., had approached several Toronto investment dealers last year to raise funds for the financially troubled company—just

before those firms were about to receive lucrative contracts from Stoen's ministry.

With a view toward his client's political future, Supina's aggressive last week was clearly to safeguard Stoen's privacy and narrow the scope of Parker's investigation. Scott seemed equally eager to broaden the inquiry. One of



Walker, looking into a cabinet minister's blind trust

his concerns that Ottawa bureaucrats were using a "blind trust approach" in designating potentially relevant papers as privileged—and secret—cabinet confidences. But the federal government's lawyer, Ian Barron, pledged to provide him with the documents that he withheld from commission investigators, and provide an opportunity for arguments for their release. That occasion appeared to annoy Scott. "I wanted to get his attention," he said, "and we got it." In addition to the legal points, the first week of testimony revealed several new facts. Among them, Shirley Walker, a longtime employee and officer of Stoen's companies who resigned her

directorialship in 1984 to become his assistant-paid special ministerial secretary in Toronto, continued to act as a half of companies in Stoen's blind trust. Although senior ministerial staff members are prohibited from such activity under the conflict code, Walker was apparently still involved in managing GLE Construction Ltd., the Stoen's family holding company, and the York Centre Properties subsidiary. During a dramatic day of proceedings Scott produced letters signed by Walker on company letterhead in 1985, months after she had ostensibly relinquished her role in Stoen's corporate activities. In a letter dated Feb. 8, 1985, Walker gave instructions to Hazel Bank Canada's Toronto offices about paying down \$254,000 of York Centre's \$1.45-million loan with the bank.

In testimony, Walker denied writing the letters, but she could not recall who gave them to her for signing. Said Walker: "I can only conclude it was something I was asked to do." As well, she continued to use York Centre's office, receptionist and telephone services, although the conflict guidelines also required her to sever those business connections when she joined the minister's staff.

The federal conflict-of-interest rules, in effect in 1985, required all ministers and senior aides either to sell personal business holdings or place them in a blind trust. The rules did not require spouses to take similar actions, but a letter from Prime Minister Brian Mulroney told ministers "to prevent conflicts of interest, including those that might arise out of activities of their spouses or dependent children."

Robert Boyle, Ottawa's assistant deputy registrar general and the man charged with verifying compliance with the guidelines, admitted that a wife who managed companies in a minister's blind trust "could be a problem." But, said Boyle, Stoen's had complied with existing rules because the minister had stated that he was aware of his spouse's business activities on behalf of York Centre Corp.

Stoen's, meanwhile, was working on his firm outside Aurora, Ont. Outwardly in good spirits last week, Stoen refused to speculate on his chances of ever resuming his place in cabinet. He told reporters that he was more interested in finding that he was watching the proceedings on TV. But before Judge Parker completes his inquiry, Stoen will get an opportunity to watch the commission up close—testifying as a witness in his own defence.

—MICHAEL PUGHEN with MICHAEL D. BLOOM in Toronto

Racing to break from a crowded field

Both are self-made women who have excelled in the male-dominated world of politics. Both espouse firm conservative views. Consequently, it was no surprise that Brian's Margaret Thatcher, 50, an established an instant rapport with British Columbia's Provincial Secretary Grace McCarthy, 58, the front-runner in the tight race to succeed William McCreath as premier and head of the B.C. Social Credit Party. During Thatcher's July 12 visit to Expo 86, the British prime minister spotted McCarthy coming down the receiving line at a private reception in the Hotel Vancouver. Quickly opening her black handbag, Thatcher rummaged around and pulled out one of McCarthy's red, yellow and blue campaign badges. Then, pulling McCarthy to her side, Thatcher held the "Grace" badge to her collar and networked politely for a photographer to take their picture. For McCarthy, the gesture by Britain's first female prime minister was an encouraging flip to her campaign to become Canada's first female premier. Said McCarthy: "I hope they got the picture."

As the contest entered its final stages, McCarthy seemed closer than ever to achieving her ambition. A recent newspaper survey of delegates to the July 28-30 leadership convention showed the candidate closest leading eleven other candidates—at least on the first ballot. With 19 of 50 delegates selecting meetings completed, The Vancouver Sun's McCarthy has the support of 290 delegates who will attend the convention at the Whistler Conference Centre, 45 km north of Vancouver. Known lawyer Douglas (Bud) Smith, 40, Bennett's former principal secretary, was in second place with 200 commitments. However, Bennett's cabinet minister William Vander Zalm, 52, was third with 190, and B.C. Attorney General Brian Smith, 52, was fourth with 95. The other eight would-be winners trailed fewer than 40 delegates each.

However, Bennett organizers warned that the race was still volatile and could break wide open at the convention. With about 38 per cent of the

1,300 delegates still uncommitted, some party officials predicted that five ballots might be necessary to select a successor to Bennett, who announced on May 22 his plan to resign after 16 years as premier. Said Vancouver delegate Leslie Nesfield: "It's a man's game trying to figure out the numbers. Everybody's got their own."

Although Vander Zalm's campaign



McCarthy at Vancouver conference meeting: a reliable campaign that could still break wide open

organization was the smallest of the front-runners—300 people compared with about 400 working for McCarthy—the charismatic campaigner, 52, was attracting support from Social Credit's fundamentalist right wing. In an attempt to grow himself a more contemporary look, Vander Zalm—frustrated by a decade of nursery garden—shaved off his long sideburns. Meanwhile, candidate Robert Weir, 46, Conservative MP for the B.C. riding of Fraser Valley West, was spending up to five hours a day on the phone talking to delegates. And Bud Smith, a political pragmatist with links in the federal Conservatives and Ontario's Tory Big Red Machine, planned to visit 40 constituencies in the last 19 days of the campaign. Said Zalm: "Most of us get exhausted by his schedule. He gets exhausted by it."

The intensity of the campaign has led to charges of irregularities. Some

delegates said organizers for certain candidates had agreed to pay travel and accommodation expenses—more than \$5,000 in some cases—in exchange for votes.

For second delegates, the choice of leader will be critical. The new premier must overcome the nine-point lead in public opinion polls held by the New Democratic Party under the long-reigning Robert Skelly and lead the

party to victory in the next election, due by 1990. "Anyone of these could be leader," said Weir. Doherty, 47, a delegate from the province's South Peace River: "We have to select someone who can beat the NDP."

Whomever wins, the outcome of the Whistler convention will change the face of the Social Credit party. Should the old guard win under McCarthy or Vander Zalm, it will purge the premier's office of the extra-trained operatives who dominated the Bennett administration for the past six years. If Bud Smith's forces take power, they will foster closer links with the federal Tories—and old-line Socials will find a party they no longer know. In the end, the convention may choose a compromise candidate. One possible choice Brian Smith, a member of Bennett's cabinet since 1978 who is well liked by the Socials.

—JANE O'HARA in Vancouver

A secret proposal

The confidential dispatch from Prime Minister Brian Mulroney to the premiers last week included both a request and a warning. The three-page letter, obtained by *Maclean's*, asked the nine predominantly English-speaking provinces to set aside their demands for constitutional reform while Ottawa seeks a formula for bringing Quebec into the Constitution. Only by concentrating on Quebec's demands, Mulroney ar-

to make a solution to the constitutional impasse a top priority in the second half of his government's term. The Conservative leader unofficially launched his constitutional campaign on June 5. At a meeting in Quebec City between the Prime Minister and Premier Robert Bourassa, both men agreed to work toward breaking the deadlock. Since then, Mulroney has indicated his newly appointed minister for federal-provincial relations,

however, makes it clear that he wants those problems to wait. "Given past experience and the busy schedule of all our governments," he wrote, "we should avoid attempting to do everything at once."

Quebec's demands alone will be difficult to satisfy. The province's most important—and most controversial—constitutional demand is a veto over future amendments. At present, changes can only be made with the consent of seven provinces representing at least 50 per cent of Canada's population. Under a formula proposed at the 1971 Victoria Conference, constitutional changes would require the approval of two Atlantic provinces, two Western provinces, Quebec and Ontario. That would give Quebec a veto over amendments.

Mulroney has yet to express his government's position as who powers for Quebec. But in his letter, he reminded the premiers of a promise he made in the last election campaign to study possible changes to the amending formula. As well, Senator Murray has hinted that he favors at least a limited veto for Quebec. Said Murray, in a 1982 Senate speech that he still cites: "I believe that most Canadians acknowledge, as an essential fact of our national existence, that Quebec has had and does have a veto on changes which affect her own status and the powers of her legislature."

Apart from the veto, Quebec has four additional demands: recognition of the province's distinct character as a French-speaking society; more powers over immigration; limits on federal spending power; and a voice in the appointment of Supreme Court justices. Bourassa plans to brief the other premiers on these points at the Edmonton meeting next month. However, some premiers have already said Quebec's demands are excessive. Said Saskatchewan Premier Grant Devine, "I am opposed to one province having a veto."

Mulroney has said he would like to enter the next federal election campaign with Quebec's signature on the Constitution. That achievement might reinforce Conservative party efforts to increase its support in Quebec, which recent opinion polls have shown to be flagging. But by reopening the constitutional debate, Mulroney also risks missing the use of Quebec, if its wishes are frustrated. Said federal Youth Minister Jean Charest, a member of the cabinet committee overseeing the constitutional negotiations: "There is a risk we're willing to take."

—PAUL GROSSMAN, in Ottawa with correspondence agents



Mulroney and Bourassa in Quebec City in June: postponing provincial demands.

gued, was a compromise he found that would persuade the province to sign the document it rejected in 1981. At that time, Quebec—arguing that it had not been granted adequate powers—was the only province to reject an accord, which led to the proclamation of a new Canadian constitution in 1982. Said the Prime Minister in his letter: "The only realistic way to progress is first to bring Quebec back into the fold, and to undertake a more extensive revision of the Constitution at a later stage." A failure to reach an agreement with Quebec, Mulroney warned, "would be very serious for the future of Canada."

Polite but firm, the message was a clear signal that Mulroney intends

Senator Lowell Murray, to reverse informal talks with the province. The first results of those contacts are expected to be discussed at the annual summer conference of provincial premiers in Edmonton Aug. 13 to 15.

But the long-standing constitutional grievances held by the province could obstruct a deal with Quebec. The province's demands, forcefully expressed during the strenuous debate of the early 1980s, cover a wide field. They include guarantees to unfettered provincial control over property rights, reforms giving the province a say in Senate appointments and undisputed provincial control over such industries as fisheries and petroleum. Mulroney's letter,



Commonwealth school ground: Thatcher and the Queen's Commonwealth Games boycott and reports of royal displeasure.

WORLD

Regal opposition

After months of maintaining her stately stance, the Iron Lady finally seemed ready to bend. Last Thursday British Prime Minister Margaret Thatcher told the House of Commons that if Foreign Secretary Sir Geoffrey Howe's meeting last week with South African President P. W. Botha did not produce any tangible results on ending apartheid, her government was preparing a wide range of "contingency plans." But even that vague hint that Britain may be prepared to enact economic measures against the white-minority regime in South Africa was clearly a case of too little, too late for much of the rest of the Commonwealth. By now's end, more than a third of Commonwealth countries, angered by Thatcher's long-standing refusal to consider sanctions against Pretoria, had withdrawn from the Commonwealth Games, due to open Thursday in Edinburgh (page 41). And according to unofficial reports in London, the threat to the Com-

monwealth had provoked a rift between Queen Elizabeth II, the head of the 48-nation organization, and her British prime minister.

The reports of a disagreement between the Commonwealth's first ladies are the latest indication of frosty relations between Buckingham Palace and 10 Downing Street since Thatcher came to power in 1979 (the number of the House of Lords said, "It is no secret that the two great ladies detect one an-

other"). Now, British analysts and observers say that the mooted personality conflict is aggravated by a fundamental dispute over the nature of the Commonwealth itself. Thatcher, in the words of one British commentator, shows an "ugly indifference to its future," while the Queen is strongly committed to the very of the organization she heads. British constitutional experts say that the Queen has the power to advise, withhold and warn her government, but in stark

contrast to her senior government officials, the Queen has demonstrated during her reign of almost 35 years that she is prepared "to intervene forcefully."

The pressure for sanctions against South Africa has been growing in step with the rise in political violence and racial political reforms—in that country during the past 25 years. At the



Commonwealth summit conference in the Bahamas last October, 96 nations, including Britain, agreed to increase pressure on Pretoria through voluntary actions—asking them to halt to new government loans and a ban on sales of gold, Kruggerand coins. A summit-organized Commonwealth study group reported on June 11 that Pretoria was appearing to negotiate on the black majority, and it called for stronger "coerced action."

The following day Pretoria initiated a national state of emergency. Despite press censorship, there have been reports of more violence and the arrest of as many as 4,000 people without charges. Some of the most fearful demands for sanctions have come from Zambia and Zimbabwe—African states conventionally dependent on South Africa. Indeed, last week during Ottawa hearings on the feasibility of sanctions by the House of Commons, Zambian rights committee, Zimlabwe's high commissioner to Canada, Stanislaus Chigwedere, said "What is required now is the total abolition of apartheid. We call for comprehensive mandatory sanctions to be imposed."

Adding to an array of largely symbolic actions, the Canadian government last month imposed an end to government purchases of South African goods and a voluntary ban on South African travel advertising in Canada. Ottawa has indicated its willingness to introduce tougher measures, but officials say that effective pressure requires concerted action including British sanctions. In an effort to persuade Thatcher to change her stance, Prime Minister Brian Mulroney met with her on July 13 at Quebec's Mirabel airport while the British prime minister was returning home from a visit to Expo 86. And after Thatcher refused to budge, saying only that normalization and not sanctions would bring about any change in South Africa, Mulroney said, "It was 25 years ago that those same arguments were made by South Africans."

Last week Howe conferred in Washington with President Ronald Reagan and Secretary of State George Shultz and agreed, in his statement, that "whether further measures might be necessary." But both governments are officially committed to finding ways short of full economic sanctions to bring South Africa's blacks and whites to the negotiating table. But Thatcher said that in the event that the British decide to, Britain would adhere to an agreement reached by European Community leaders earlier this month. That accord would only consider such measures as a ban on South African diamonds, worth about \$112 million a year. Mulroney says that such steps will be no more than token gestures for a nation with an estimated \$12 billion worth of invest-

ments in South Africa and annual trade valued at about \$1.5 billion. And they add that Thatcher's opposition to strong economic isolationist measures. Pretoria has clearly left the impression of a prize matured for intervention in the subjugation of South Africa's blacks.

As a result, by week's end the list of governments pulling out of the Commonwealth summit was growing rapidly. It included most African affiliates and an array of Caribbean members, including the Bahamas and Jamaica. Zambia's prime minister, Kenneth Kaunda, has gone even further, threatening to resign from the Commonwealth altogether if

that the unemployment rate, currently 13 per cent of the labor force, is the overriding concern among British voters.

At the same time, some studies conclude that economic sanctions might not bring about the avowed objective of ending apartheid. A study commissioned by the Canadian International Development Agency (CIDA) and completed last February found that South Africa is "seriously vulnerable to international economic pressure." For one thing, says the study, a total ban on foreign investment alone would result in a loss of up to 16,000 jobs in one year—a third of

what a particularly sharp effect on jobs in states in southern Africa. Said one Western diplomat in Johannesburg: "The whole of the region could be devastated by a sanctions war. For the weaker black-led states, sanctions could prove to be a catastrophe." The reason is that most states in the region are economically tied to the entry of Pretoria. A U.S. congressional study found that South Africa's Electricity Supply Commission provides 100 per cent of Lesotho's power needs, 70 per cent of Swaziland's and about 30 per cent of Zimbabwe's. In addition, Botswana, Lesotho and Swaziland are linked through

sanctions, said that Canada must be prepared for that, eventually said South: "We have no right to move without indicating that we're prepared to provide support." The government has not yet responded. But last week the Commons human rights committee voted to ask Parliament to initiate mandatory economic sanctions against Pretoria if progress is not made at the London Commonwealth summit next month and if South Africa does not move toward significant reforms by a Sept. 30 deadline. The committee also agreed that African states that suffer as a result of sanc-

Pretoria have already forced the Reagan administration into a re-evaluation of its South African policy. In fact, Reagan is expected to address the nation early this week on the South African question. In a gesture short of endorsing sanctions, he is expected to announce the nomination of Robert Brown, a black businessman, as the first black U.S. ambassador to South Africa. In South Africa some white spokesmen have reacted with outrage to that proposal. Said Jupp Marais, leader of the extreme right-wing Reformed National Party: "The government should refuse to receive him."

Meanwhile, blacks in South Africa continued to challenge Pretoria. As a new semester in the country's schools began last Monday, as many as 30 per cent of 1.7 million black students stayed home to protest new security measures announced the day before by President P. W. Botha. The measures include the introduction of mandatory identity cards which the government hopes will effectively bar outside agitators from school yards. And although a "day of action" called by the Congress of South African Trade Unions yielded a scanty response in some areas, in others such as Port Elizabeth fully 30 per cent of the black workforce stayed home to protest the direction of union members.

Anti-apartheid activists also won a major victory in court. After the Metal and Allied Workers' Union appealed the legality of the five emergency laws, one of the three Supreme Court justices hearing the appeal said, "I cannot make head or tail of the regulations." The three justices then gave ordered amendments. They made the definition of outlawed "subversive statements" less sweeping and provided lawyers with more access to detainees but they ruled that overall the emergency decrees were valid.



Black gold miners, challenging Pretoria with strikes and school boycotts

Howe party with Thatcher: trying to negotiate change without sanctions

Thatcher does not choose her mind on sanctions by the time of a scheduled meeting on the issue among seven Commonwealth leaders, including Mulroney, in London from Aug. 3 to 5. Canada and the other predominantly white former dominions, Australia and New Zealand, all planned to participate in the Gannet But, declared Australian Foreign Minister William Hayden: "I can understand the reaction when the black people of South Africa are suffering untold misery and discrimination."

For her part, Thatcher has called the idea of an economic boycott "insane." And she told the Commons last week that sanctions would only lead to "starvation of children and wide-scale unemployment in South Africa and in the country." She says that sanctions would result in the loss of at least 100,000 trade-dependent British jobs. Thatcher's figure has been disputed by the Fabian Society, the British social democratic study group, which claims that only 30,000 jobs would be threatened if Britain were to cut off trade with Pretoria. But, the prime minister's press secretary said that such steps will be no more than token gestures for a nation with an estimated \$12 billion worth of invest-

ments in South Africa and annual trade valued at about \$1.5 billion. And they add that Thatcher's opposition to strong economic isolationist measures. Pretoria has clearly left the impression of a prize matured for intervention in the subjugation of South Africa's blacks.

As a result, by week's end the list of governments pulling out of the Commonwealth summit was growing rapidly. It included most African affiliates and an array of Caribbean members, including the Bahamas and Jamaica. Zambia's prime minister, Kenneth Kaunda, has gone even further, threatening to resign from the Commonwealth altogether if that the unemployment rate, currently 13 per cent of the labor force, is the overriding concern among British voters. At the same time, some studies conclude that economic sanctions might not bring about the avowed objective of ending apartheid. A study commissioned by the Canadian International Development Agency (CIDA) and completed last February found that South Africa is "seriously vulnerable to international economic pressure." For one thing, says the study, a total ban on foreign investment alone would result in a loss of up to 16,000 jobs in one year—a third of what a particularly sharp effect on jobs in states in southern Africa. Said one Western diplomat in Johannesburg: "The whole of the region could be devastated by a sanctions war. For the weaker black-led states, sanctions could prove to be a catastrophe." The reason is that most states in the region are economically tied to the entry of Pretoria. A U.S. congressional study found that South Africa's Electricity Supply Commission provides 100 per cent of Lesotho's power needs, 70 per cent of Swaziland's and about 30 per cent of Zimbabwe's. In addition, Botswana, Lesotho and Swaziland are linked through sanctions, said that Canada must be prepared for that, eventually said South: "We have no right to move without indicating that we're prepared to provide support." The government has not yet responded. But last week the Commons human rights committee voted to ask Parliament to initiate mandatory economic sanctions against Pretoria if progress is not made at the London Commonwealth summit next month and if South Africa does not move toward significant reforms by a Sept. 30 deadline. The committee also agreed that African states that suffer as a result of sanc-

a common union in South Africa.

The southern African economies are also dependent on South Africa's transportation routes to exports. Rail and highway routes through Botswana, Zimbabwe, Zambia, Swaziland and Malawi are all tied to lines that lead to the South African ports of Durban, East London and Cape Town. About 40 per cent of the combined imports and exports of Malawi, Zimbabwe, Zambia and Swaziland are shipped through those South African ports. And in the event of sanctions, Pretoria could close its borders in reprisal, leaving those states with no access to shipping routes.

Reports say that any sanctions will clearly have to be accompanied by increased aid to southern Africa's economies. In Ottawa last week, Anglican Archbishop Edward Scott, a member of the special Commonwealth study group that in June recommended the use of

time should receive compensation.

The Canadian initiative will put further pressure on Thatcher at the August Commonwealth conference. And at week's end there were signs in Washington that Reagan is under growing pressure to modify his opposition to strong sanctions. In June the House of Representatives approved a bill that would place South Africa under a total trade embargo and force U.S. businesses to pull out of the country. And the Senate is now considering three different proposals, one of which is similar to the House legislation. Indeed Senator Edward Kennedy (D-Mass.), who along with Sen. Lowell Weicker (R-Conn.) introduced the tough legislation. "The policy of the administration is a disgrace and an embarrassment."

Any congressional action faces a possible presidential veto. But the growing demands for harsher measures against

In the face of the political and economic pressures at home and abroad, the Botha government last week staged a ceremony that dispensed both its military and its industrial self-sufficiency. The three justices then gave ordered amendments. They made the definition of outlawed "subversive statements" less sweeping and provided lawyers with more access to detainees but they ruled that overall the emergency decrees were valid.

—PETER KORFMEIER with BOB LARSEN in London. PETER VON THUNENHARD and CAPTAIN HILLARY RACINE with OLIVER and DAN AUSTIN and WILLIAM LUTHER in Washington.



Sandinista soldiers patrolling Honduran border; CIA director William Casey (below) preparing for a larger war

NICARAGUA

Revolution under siege

It is known as the Heretic City. Three times in 1978 and 1979, the people of Estelí rose up against Nicaraguan dictator Anastasio Somoza Debayle, who responded with an intense aerial bombardment which devastated the city of 30,000. Last week a still-scarred Estelí, 97 km north of Managua, was again the centre of attention as thousands of Nicaraguans gathered there to celebrate the seventh anniversary of the Sandinista revolution that overthrew Somoza. They came along a Pan-American Highway heavily guarded by government tanks and troops to prevent sabotage by the anti-Sandinista oligarchy known as contras. And they came to demonstrate that special Estelí-style defiance at a troubled time: the aftermath of the U.S. House of Representatives vote last month to provide \$100 million in aid to the contras. "They think we are afraid," said Alejandro Flores Piccirilli, whose son was fought for the Sandinistas. "But not with \$100 or \$100 million will they destroy this revolution."

That spirited loyalty is a welcome sign to the country's Marxist leaders. It is emblematic of their beleaguered revolution that they needed mas-

sive security measures just to throw an anniversary party—and that revolutionaries were preoccupied with the prospect of a stepped-up contra challenge. An emboldened U.S. is the fighting would increase pressure on a government already reeling from a crumbling economy, chronic food shortages and a small but persistent threat of criticism. Following the U.S. vote, many Sandinista officials moved to silence dissent. They closed down the opposition newspaper, *La Prensa*. At the same time, U.S. sources say that the Sandinistas have accepted as many as 15 Soviet-made Mi-17 transport helicopters over the past two months, apparently in anticipation of a major rebel offensive.

When that assault might take place is still not certain. The U.S. aid package will go before the Senate the week of Aug. 6, and most observers expect the Republican-controlled body to pass the

bill and send it on to President Ronald Reagan for signing. But a small number of liberal Democrats are threatening a filibuster which could delay approval. Feds show that despite Reagan's imprisoned plans, contra aid is not a popular cause with the U.S. public. And congressional investigations into charges of rebel profiteering, drug smuggling and guaranteeing have damaged the contra's cause. Still, if the aid bill passes as expected, the funding could begin as early as Sept. 1, providing \$70 million in military hardware and training to the contras, \$25 million in food, medicine and clothing and \$5 million to monitor the contra's human-rights record—which critics contend is shameful at best.

U.S. officials say that the program will be managed by the Central Intelligence Agency, although Congress barred the agency from control of the rebels after its seizure of Nicaragua in April in 1984. The San-

harbores case of the rights after its seizure of Nicaragua in April in 1984. The San-

harbores case, the CIA will face a daunting task in training the contras, who were organized by the agency in 1981 but are as much for the Soviet-armed Sandinista army of 60,000. Independent experts say that the contra number only 12,000 to 15,000, although contra leaders claim the figure at 15,000 and predict that it will grow to 30,000 within a year of receiving the new U.S. aid. Over the past three years the U.S. army has built numerous airfields and roads in neighboring Honduras and established a rotating force of 1,500 troops there. It is now providing the contra with logistical support to the contra war which is waged, in Reagan's words, to make the Sandinistas "very uncomfortable."

Within Nicaragua, it is difficult to determine how much support each side has. Xavier Garmatz, director of the independent Managua-based Nicaraguan Institute for Social Economic Research, estimates that 15 per cent of the nation's three million people strongly support the government, 15 per cent actively oppose it, and the remaining 70 per cent fall somewhere in between. Nicaraguans interviewed by *Monroe's* over the past few months expressed growing frustration with the Sandinistas but little inclination to embrace the contra alternative. "I love my country," said a Managua resident, "but I don't want to live in the revolution. But now I've tired of the violence, of broken promises."

The contra's terror tactics—often aimed at people who work in the government's health reform, education or health-care programs—have alienated many Nicaraguans. Earlier this month, in the northeastern town of Boaco, 30 people—including 12 children—were killed when a truck bearing a contra flag struck an ambulance mine apparently planted by contras. "All these guys do is wreck havoc," said Gine Boussem, a Swiss spokeswoman who has lived in Estelí since 1979. "But you don't get support by killing teachers and doctors." Two years ago contra soldiers killed 12-year-old Lucinda Zamora Lopez near her family's northern farm. Her mother, Juana, who still does not know whether he is alive or dead, went to the hold up his photograph. "I am not a Sandinista," she said. "I am not a contra. I am poor. The war has taken my son, and that has almost killed me. I just want the war to end so I can see him."

The Sandinistas have also eased their share of hardship. Lino Hernandez of the nominally independent Nicaraguan Permanent Commission in Buenos Aires, said the government has been "hoarding all people who are suspected of collaborating with the contras." He said there have been 800 such arrests since December, and that detainees often have to wait months for a trial. "On the majority of cases," said Hernandez, "there isn't any proof beyond that provided by the security officer. They are often considered 'un-very uncomfortable'."



Ortega, delaying development to defeat a seven-year-old revolution

because they haven't joined a Sandinista organization."

In fact, many people, particularly middle-class Managuans, have avoided the country's military draft. Some have joined the contras, in some cases spurring families along political lines. Luis Fijo, a Managua businessman who fought for the Sandinistas in the revolution but later grew disaffected with them, is now behind to be a contra commander. His brother Francisco, meanwhile, has become an officer in the Sandinista army. "If I meet my brother in the mountains," said Fijo, "I would defend myself and he would defend himself. That is what a soldier must do."

For Nicaraguan civilians, the problems are less dramatic but real neces-

ties. The country has a 300-per-cent inflation rate and a scarcity of such staples as rice, sugar, beans and cooking oil. Government officials maintain that the chief cause of the economic depression is the war against the contra. It has demanded manpower and money—the military gets more than 50 per cent of the national budget—that could otherwise go toward growing crops. But last February, Sandinista leader Daniel Ortega acknowledged that government mismanagement is also partly to blame for the economic crisis. Alfredo Mendez, a large coffee farmer in the southern province of Carazo, is particularly upset by what he sees as the government's often contradictory approach to nationalizing private farms. "When they want our land they think of a way," said Mendez. "They say it is producing soil and therefore the state needs it, or they say it is producing poorly so the state must appropriate it."

Complaints about government unfairness are widespread. Isabella Castro, a 37-year-old Managua cleaning lady, said last week the government gave her a place to live in a cooperative housing project, she cannot afford to feed her six children properly. As she spoke, her two-year-old daughter tried to suckle her dry breast. "She should be drinking bagged milk," Castro said bitterly. "But there is no money for that. Only government employees get the [ration] tickets to buy milk in the supermarket."

But many Nicaraguans do not seem ready to revolt against their government. Rather, they celebrated the anniversary of their revolution with the knowledge that a larger war with the contra—and possibly the United States—looms ahead. "We will never give up what is ours," said Francisco Roldan, a militiaman stationed outside Estelí. "If Reagan sends troops, we are waiting for them." With that kind of commitment, Nicaraguans seem prepared to meet whatever challenge the contras—and their U.S. sponsors—are likely to meet.

—BOB LEVIN was WILLIAM CARPENTIER in ESTELÍ. MICHAEL TUTTUS is Managua and MARC McDONALD is Washington

The contest for the courts



Antonin Scalia; Byrd (below) 'surrendering to the politics of ideology'

The one-minute television commercials focused on the re-elected Status of Liberty, which gradually disclosed to an image of another female statue—the kind of goddess of justice looking shrunken and slumped to one side. Over those competing pictures an unseen narrator remarked: "Now recall that just as America bears one lady in New York's harbor, we would share the other on the floor of the United States Senate." That commercial is part of an advertising blitz sponsored last week by Hollywood TV producer Norman Lear's and, likewise, *People for the American Way* (PWA). It was the latest salvo in a bitter political battle that could influence U.S. justice for years to come. At issue is President Ronald Reagan's controversial nomination of David Manion, 44, an ultraconservative lawyer from South Bend, Ind., to Chicago's Federal Court of Appeals.

Late last month in a stormy vote, liberal senators led by Robert Byrd (D-W.Va.) tried to block Manion's confirmation. But after the White House persuaded two senators into opposing the nomination in return for an endorsement of their own candidates for judgeships, Manion was tentatively confirmed by a narrow vote of 48 to 46. A

condition attached to the approval called for the issue to come to another vote this week. Last week an Republican and Democratic sponsored the procedure for the reply, the nomination withdrawn. Reagan's far-reaching influence in institutions being a conservative resistance through the nation's education and courts. It also raised larger issues about the integrity of federal judicial appointments. In a sharply worded editorial on June 27, *The Washington Post* called the appointments system "wrong and shabby."

And PWA spokesman John Buchanan criticized the administration's use of classic pork-barrel politics. Sen. Buchanan "judges are not just. The Senate votes on the people's judiciary of fairness."

Following Reagan's two recent Supreme Court appointments—Antonin Scalia to the court and William Rehnquist to the post of chief justice—Manion's nomination emphasized the extent to which the President has already reshaped the federal courts in his own image. By the end of his second

term, he will have appointed more than half of the nation's 240 federal judges. Most of the 203 already named were chosen on the basis of their conservative voting records on such issues as abortion and school prayer.

Last month the Senate rejected its first nomination not to leave the President's rubber stamp by rejecting his nomination of Jeffrey Beaumont, 53, to Alabama's federal Court of Appeals. The reason: Beaumont's initially intransigent conservatism, which included calling the National Association for the Advancement of Colored People "un-American."

Manion himself, during his own term in the Indiana state senate in the early 1980s, was involved in ultraconservative actions. He supported censoring textbooks and allowing the posting of the Ten Commandments in public schools only months after the Supreme Court had declared such postings unconstitutional. The son of one of the founders of the ultraright John Birch Society, Manion wrote a letter in 1979 telling his father "in the front line of the fight for constitutional freedom."

Attorney General Edwin Meese has sharply criticized the Senate's attempts to block Reagan's judicial nominations. But critics point out that Manion's strongest qualification for the federal bench appears to be his record of adhering to the administration's ideological platform. Forty-four law school deans from across the United States have signed a letter protesting his lack of credentials. They noted that he has never handled a constitutional dispute, argued a case before a federal appeals court or published a legal paper. And the five briefs he submitted to the Senate as his best were riddled with basic spelling and grammatical errors.

But recently close objections have been overshadowed by the tactics used to obtain his initial confirmation in the Senate.

For one thing, the White House made a deal with two senators to withdraw their objections to the nomination. And two other senators appeared to Manion's nomination, withdrew their votes after Republican leaders deliberately misled them by claiming that two allegedly pro-Marxist senators were absent. Clearly, the debate over Manion has underscored the far-reaching impact of the conservative stamp on the courts. Reagan may already have established the most lasting legacy of his presidency.

—BRUCE McGRADY in Washington



GLOBAL NOTES

IRITIN

Erasing old claims



Shimon Peres, impact

Shimon's reputation of covert deals and his sense of British assets. In return, Moscow cancelled its \$1-billion overture for damages caused by British troops who intervened in the ongoing 1918-21 civil war. As well, the agreement also opened perestroika on U.S. President Ronald Reagan to make arms control discussions prior to a second U.S.-Soviet summit. Such deals, "We cannot see the United States are close allies, and that affords have a way of having an impact on each other's position."

EUROPE

A terror campaign

A wave of bombings in Portugal last week, following similar attacks in France and Germany, reinforced signs of a resurgence among domestic terrorist groups across Western Europe. At the same time, the Reagan separatist group (IRA) still a back in Madrid shot left nine paramilitary steel guards dead and 56 people injured. This year alone, 20 people have been killed by IRA guerrillas who since 1969 have been waging a bloody campaign for independence in northern Spain. In Portugal, four explosions in the southern cities of Setúbal and Évora—believed to be retaliation for government plans to shake separatist reforms legislation—killed six people and 40. Both the Armed Revolutionary Organization (ARA) and the Popular Forces of April 25 (FPA-25), groups which combat what they call government betrayal of socialist ideals, claimed responsibility for the attacks. Meanwhile, in Italy the interior ministry ordered increased security measures, citing evidence that Italian Red Brigades guerrillas have formed an alliance with other European terrorist groups.

LEBANON

Warnings of war

A flurry of fighting in the Middle East has heightened the danger of a new Arab-Israeli war. For the second time in five days, Israeli aircraft last week pounded pro-Syrian Palestinian guerrilla bases in Lebanon in retaliation for border attacks. As many as four people were killed when Israeli jets struck guerrilla mountain strongholds in the east of Beirut. On July 16—just hours after two Israeli soldiers died repelling a seaborne landing on northern Israel by a squad of Palestinians—Israeli helicopter gunships attacked pro-Syrian guerrilla bases at a refugee camp near the southern Lebanese port of Sidon. "I think Syria is preparing for a war,"

said Israeli Prime Minister Shimon Peres after the ill-fated guerrilla landing. Increased activity by Syrian-backed guerrillas in Lebanon has heightened Israeli concerns about an attack from across its southern border. That could lead either to another major Israeli military incursion into Lebanon or even war with Syria. "On our great sorrow," said Israeli Defense Minister Yitzhak Rabin. "The Israeli problem we are facing are not less than what they were before the start of the war in Lebanon."

CHINA

Reporter's story

An apparently unauthorized reporting tour through central China by a western journalist has resulted in his detention and accusations of espionage. John Burns, 41, the *Los Angeles Times* bureau chief for *The New York Times*, was stopped at the capital's airport last week as he and his family prepared to board a plane for a vacation abroad. According to a *Times* statement, the Chinese said that Burns was being held as suspicion of "entering an area forbidden to foreigners, gathering intelligence information, and espionage." Burns's wife, Jane Scott-Long, said that Chinese authorities questioned her husband about a 1,800-km motorcycle trip he had taken earlier this month through the central provinces of Shaanxi and Shaanxi. He retraced the route taken by U.S. journalist Edgar Snow in 1936 in search of Communist guerrilla leaders at their Yenan hideout. Burns, a British-born reporter who has also worked in Canada, was China correspondent for *Newsweek* and *Time* from 1971 to 1975. A total of 244 Chinese cities, towns and nearby spots have been opened to foreigners in recent years, but most of the countryside remains closed to visitors without special travel permits.

VIETNAM

Choosing a new chief



Chung Anh has

On the eve of a state funeral in Hanoi for Vietnamese Communist Party general secretary Le Duc Thieu, who died on July 30 after almost 17 years in power, the party's central committee last week named his successor. He is President Chuong Chanh, 44, a Thieu's hard-line northern adviser, who was named the heir apparent to Ho Chi Minh, who led the North Vietnamese during successive wars against Japanese, French and U.S. armies before his death, at 79, in 1969. Chuong Chanh, an unnamed source (his real name is Dang Xuan Khat) told *Newsweek* magazine, was officially appointed general secretary in 1981. But he was demoted in 1986 when his ruthless land reform program—effectively a campaign of terror against private owners—resulted in tens of thousands of deaths and almost led to a mass peasant revolt. But four years later Chanh returned to the Politburo, and he rose to the presidency in 1981. Like his predecessor, Le Duc Thieu, Chanh took part in the disastrous war with North Vietnam's South Vietnamese to topple the U.S.-backed government in Saigon and reunite the country. Still, Chanh's reign as general secretary may be a short one. In December a party congress will begin a long-awaited transition to younger—and reform-minded—leaders.

Big money at the movies

He is Canada's leading man of film, but he has never appeared on the silver screen. Instead, Garth Drabinsky, 37, former entertainment lawyer and film producer, is determined and profitably restructuring the movie theatre business in North America. His name is not a household word among the people he refers to as "my public," but the hard-driving Drabinsky, chairman, president and chief executive officer of Cineplex Odeon Corp. of Toronto, has done more to put the look and feeling back into a visit to the movies than anyone since the end of the glory days of Hollywood. Every week two million filmgoers file into Cineplex Odeon movie theatres located in six Canadian provinces and 18 American states. His theatres feature air-filled lobbies, tufts and popcorn (dressed in it) and better. They provide, declared Drabinsky, "a theatrical environment for movie audiences that has not been created since the advent of television." Cineplex Odeon's successful record in the international entertainment industry is now for a Canadian company. In just seven years it has grown from one 18-screen theatre complex in Toronto's downtown Eaton Centre to 1,176 screens in 206 locations—with more than half of its screens in the United States. That puts it neck and neck with General Cinema Corp., which has as many screens but not as many locations. Much of Cineplex Odeon's growth is a result of Drabinsky's practice last November of the American Film Theatre Circuit, a chain of 688 movie houses located across the United States. Then, in May Drabinsky sold 50 per cent of his enlarged firm to a Los Angeles conglomerate, MCA Inc., which controls Universal Studios. Drabinsky remains the driving force behind the company, and the sale has provided the Toronto entrepreneur with access to the huge Hollywood entertainment industry.

Already, Cineplex Odeon owns a number of entertainment companies. Among them are Pan-Canadian Film Distributors, the largest distributor of commercial and specialty films in Canada, and Toronto International Studios, Canada's largest film production facility. Early this month Drabinsky purchased Canada's largest movie picture library, Film House Group Inc. of Toronto, for \$15 million, and he is cur-



Cineplex theatre in Toronto: a return to the glory days of Hollywood

rently planning mass expansion. In the next five years Cineplex Odeon will grow to about 3,000 screens, he told *Money*, "creating new audiences, which are a virtual certainty."

When Drabinsky entered the movie

business in 1973, most theatres had only one or two screens. But he began clustering as many as 15 small-screen, limited-capacity theatres into a single complex and offering moviegoers a wide variety of films under one roof. In

its first two years Cineplex expanded rapidly, opening 111 screens across Canada. Then, three years ago Drabinsky began renovating classic movie houses, adding contemporary frills. As a result, when Cineplex unveiled new complexes this week in Clearwater, Fla., and next week in Waco, Tex., and Thornhill, Ont., they will resemble the movie palaces of the 1920s and 1930s. Movie patrons are greeted by original service, marble floors and plush seating, arranged by a full-time staff of 60 architects, engineers and draftsmen. Cineplex's theatre openings are usually splashy affairs, by invitation only and free for dignitaries, celebrities and the media. A recent opening of a refurbished theatre on Bloor Mills, just west of Toronto, attracted the Toronto Star's art critic, who wanted to review the look of the theatre. Drabinsky declared at the time, "We are determined to go back to our patrons the math and excitement and anticipation and civility that should be theirs when they leave the techno-regimented world of their daily lives for the fantasy world of escape that is the movies."

Associates say that Drabinsky enjoys the attention that he is attracting—especially in the business community, where his star is clearly on the rise. Last year Cineplex Odeon reported a record after-tax profit of \$14.1 million on revenues of \$171 million, which ranks it among the fastest-growing companies in Canada. This year first-quarter profits have more than doubled, and Drabinsky says that he is "incredible" with one outside estimate that 1986 profits will reach \$27 million.

Cineplex Odeon shares traded on the Toronto Stock Exchange last week at \$20, up from \$2.75 in early 1984. At that price, Drabinsky's own 3.5-per-cent stake, his stockholding has steadily diminished as the company has grown and taken on more shareholders—in worth more than \$30 million. Said Roland Jones, a stock market analyst and vice-president of Merrill Lynch Canada Inc. "I am convinced this company is really going to be going places. And a June report prepared by securities firm Prudential-Bache Securities, another brokerage firm, states, "Cineplex has brought moviegoing back to life in Canada and the United States." Drabinsky himself declared that Cineplex "is demonstrating what has been lacking in the movie theatre exhibition industry for the past 35 years." He added, "We will outpace our competitors in raising their standards which will result in a complete overhaul of an industry that was almost dead."

Drabinsky's original vision did not translate into instant success. For one thing, his lofty ambitions and brash style tended to create enemies in the movie industry. As well, when his Cineplex Corp., at the company's first Toronto office, began expanding across Canada in 1980, it encountered a major obstacle. The two then-dominant exhibitors—Famous Players Ltd. and Canadian Odeon Theatres Ltd.—had agreements with major Hollywood studios that in other guaranteed movie from successfully bidding for newly released films. As a result, Drabinsky's company was not able to get the first-run Hollywood productions it needed to compete with other theatre chains. That problem, combined with the developing recession, almost forced Cineplex into bankruptcy. In 1982 it lost \$15.5

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The shock of scandal

A year on the floor of Canada's largest commodity exchange is swift and frantic as the market brokers shout out their bids and prices. It is the two main trading pits of the Winnipeg Commodity Exchange, grain companies, farmers, speculators and traders buy and sell grain and oilseed crops daily in rapid-fire transactions worth just under \$10 billion a year. The 86-year-old WCE, housed in a 10-storey building dominating Winnipeg's business Portage and Main intersection, is the financial heart of the vital Canadian grain trade. Behind the chaos and the noise of trading, its successful operation has depended on one fundamental principle: that a trader is as good as his word. Said Clifford Swartz, the chairman of the exchange's board of governors "The industry must accept your contracts and commitments without question." But during the past two months, allegations of illegal trading and falsification of records have been raised in two startling investigations.

Parts of the drama unfolded last May when two companies associated with the WCE declared bankruptcy. Then, as investigation by the exchange, a self-governing body, revealed that in their final

days the companies had been falsifying financial statements. Now, RCMP officers, after a separate year-long investigation, are examining evidence to determine whether charges will be laid against a former employee at a third company.

Early this month, wce directors said. They leveled fines totalling \$750,000 against the officers of the two bankrupt brokerage firms, Can Am Commodities Corp. and David Grant Co Ltd. As well, they expelled from the exchange the firm's president, Erna Senne and Norman David respectively, for supplying false financial information to the exchange. But many people who rely on the WCE say that they are still concerned about its ability to police itself.

Later this month, the exchange's board of governors is scheduled to hear a complaint brought by XCan Grain Ltd. against one of the traders now under investigation by the RCMP. Declared

Harvey Carmack, chief executive officer of Manitoba Pool Elevators and a board director of XCan Grain "Members of the public that deal with the exchange need to feel that matters are being conducted in a business-like, ethical manner. The events of recent times don't give them that assurance."

The wce infractions came to light during intense trading after the Chernobyl nuclear disaster in the Ukraine on April 26. Exacerbated by rumors of extensive damage to agriculture in the Soviet Union and other parts of Europe, prices moved up during unusually heavy trading on April 26 and 27. As a result, Can Am was forced to make large deposits with the WCE's clearing house in order to secure its orders. But on the evening of April 28, Senne informed exchange officials that his company would not open for business the following day because he did not have enough cash to cover trading in what he expected would be another volatile day. Exchange officials immediately launched an investigation and



Harvey Carmack

business the following day because he did not have enough cash to cover trading in what he expected would be another volatile day. Exchange officials immediately launched an investigation and

suspended from trading both Can Am and its associated company, David Grant Co. May 3, both firms declared bankruptcy—leaving debts of \$300,000 to 99 unnamed creditors.

Since then, the wce had uncovered a variety of financial irregularities in the books of the two companies. A Can Am audit showed \$160 at the end of 1985 another case, an executive of David Grant deposited and withdrew \$30,000 within a space of three days, providing a misleading picture of the company's financial status. The exchange levied a \$300,000 fine against Senne, \$220,000 against David, who was both the vice-president of Can Am and the president of David Grant, and \$10,000 against David's son Randy, the secretary-treasurer of both companies.

They were the largest fines in the history of the exchange. But the WCE's image has also been tarnished by the year-long RCMP investigation based on documents and files seized from a dozen companies operating at the exchange. Public say that it is too early to say whether charges will be laid. Still, information contained in their search warrants paints a worrisome picture of some grain company employees and private brokers who may have been abusing their personal positions on the market with customers' money.



WCE traders in a hurried image

Can Am and David Grant are among the companies named in the RCMP investigation. But that inquiry has centered on a former employee of XCan Grain—one

of the country's largest grain exporting companies and jointly owned by the three major wheat pools. The search warrants allege that between 1980 and 1985 Gustav Deslauriers, a senior XCan trader, who was fired in November, 1985, involved nearly \$300,000 in returns for inside information on XCan's trading. The warrants indicate that the inside information allowed a company owned by Deslauriers and his brother-in-law, Wayne Gerald Carle, to enjoy what grain industry expert Walter Pollack described as "an uneasy success" on the futures market.

Another search warrant detailed a series of questionable trades made on the market in the early 1980s. Investigators allege that, in one case, abnormal trading activity over an undetermined period of time resulted in the defrauding of United Grain Growers Ltd., a major Winnipeg company, of almost \$100,000. The wce's Swartz says that he is worried that publicity surrounding the police inquiry is hurting the image of the exchange, even though none of its officers or employees has been implicated. Still, Gerald Moore, general manager of United Grain Growers, declared that if there was illegal trading on the wce for five years, "it will reflect quite badly on the administration of the exchange."

—BRIAN KENTON in Winnipeg

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Boarding a People Express flight: intense competition and bankruptcies

Shakeups in the skies

It was hailed as the most successful example of airline deregulation in the United States. Founded just three years after President Jimmy Carter implemented what he called an "open skies" policy in 1978 and removed regulations governing tariffs and routes for commercial airlines, People Express Airlines Inc. has become that country's fifth-largest airline. Operating out of a ramshackle, little-used airport in Newark, N.J., People Express, led by Donald Barr, the company's 64-year-old founder and president, revolutionized air travel by offering drastically reduced air fares and no frills. But now the company is facing major problems. Battered with a first-quarter loss of \$16 million, reeling in debt during a period of rapid expansion, the company was forced to sell a newly acquired subsidiary to a competitive two weeks ago. And with predictions of a further shakeout and increasing concentration of ownership of U.S. airlines, Canadian and European regulators are now monitoring the American experience as they begin to loosen the rules governing their own airspace.

For many American airlines, confronted with one of the worst financial crises in the history of the industry, survival has become their biggest challenge. After eight years of deregulation, the industry is still in transition. Open skies have created intense competition. Marketing and flight scheduling

have become important tools in the battle for passengers. Dozens of new airlines have entered the market, and existing carriers are crowding the most lucrative routes. Air fares, previously standardized by the U.S. Civil Aeronautics Board, are now set by free-market forces. As a result, an estimated 120 bankruptcies have occurred in the eight years since deregulation.

Even the big commercial pioneers are in trouble. In January 64-year-old veteran carrier Pan Am sold its Pacific routes—once the centerpiece of its operations—to United Airlines in an attempt to trim operating costs. And this month, in another transaction, Texas Air Corp., which also operates Continental and New York Air, bought the almost bankrupt Eastern Airlines. The arrangement leaves Texas Air about 60 per cent of the profitable New York-to-Washington, D.C., market.

Analysts say that the consolidation of the industry is happening faster than they had anticipated. Initially, large carriers, unaccustomed to open competition, responded to deregulation by divesting many of their more costly activities—ground services, ticketing operations and maintenance. Meanwhile, an estimated 60 low-cost, no-frills, regional carriers emerged between 1978 and 1984. Those carriers were able to provide travelers with lower-than-average prices for almost every major U.S. route. And consumers found the cheapest attractive Dar-

ing that time the number of passengers carried by U.S. regional airlines more than doubled from 11.5 million to 26.1 million. Now industry observers say that when the current shakeout is over, only eight or nine major U.S. carriers will remain from a total of 12, with about 30 smaller feeder operations. Said Lane Kirkland, president of the AFL-CIO, the main U.S. labor federation: "The ultimate end of it probably will be the creation of a couple of giants with control of the market."

At the same time, the European Community has taken major steps toward breaking up the anti-monopoly of pre-existing cartels, which made European air fares 20 to 50 per cent higher than in Canada and the United States. Deregulation efforts in Europe, which began in 1976, have been slow, primarily because the EC's air transport treaty cannot impose binding legislation. As a result, officials with some carriers have claimed that EC anticompetition rules do not apply to their industry. And government leaders in countries that support deregulation, such as Britain and Belgium, say that they are concerned that these claims could be the issue up in courts for years.

In Canada deregulation has been slow as the federal government prepares to announce shortly that it will abolish two distinctions among national, regional and commuter carriers. In the meantime, the country's two largest airlines—Air Canada and Canadian Pacific Air Lines Ltd.—have offered customers the deepest discounts ever in the past year during their so-called wet sales.

Deregulation in Canada and Europe is not likely to be as dramatic as the freedom-of-the-skies approach imposed by the United States. And Stewart Cusack, chief of transport matters in Britain, "far from wanting to smash the entire mechanism as the Americans did, the EC aims simply to handle competition to bring cheaper fares and better service."

In the United States consumers have benefited most from airline deregulation. But as the industry shakeout continues, some experts express concern that discount prices may disappear. And if only a few companies eventually control a country's airlines, it would create the very situation that deregulation's proponents expected to eliminate.

—THERESA A. THERESKO with JAY AUDEN in Washington and PETER LEWIS in Toronto



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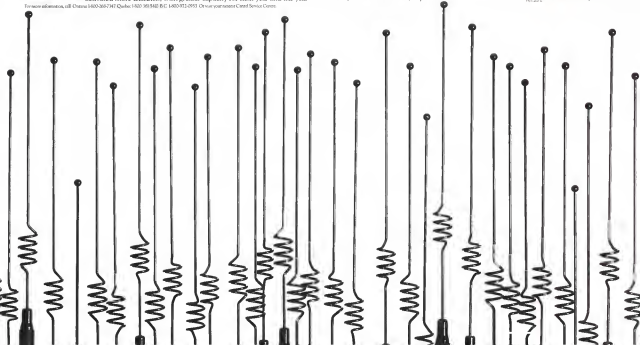
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systems, we can tell you where your shipment is at any time. In real time.

These, and many more innovations, are part of the new CN goal of giving you every reason, every time, to choose us.

CN is committed to becoming the best total distribution company in North America. And we’re ready to demonstrate it.



*Responding to
the Challenge*

Last week four young women won the Canadian final of the New York Elite Model Agency's annual Look of the Year search, which qualifies them to compete in the world finals to be held in Italy this fall. Each of three said that she thinks she has the winning "look," by modeling agencies has changed. Said 16-year-old **Christine Gascovich** of Kitchener, Ont. "It used to be that models were tall and thin with outrageous features. Now if you look nice and have a nice figure, that's enough." **Sheri G.**, 18, of Doris, Ont., added, "Some of it is physical, like full lips. It's kind of an athletic look." Vancouver's **Diane Whitaker**, 17, said that agencies now "want older models, even between 40 and 50." Noted Gascovich, "You can still be beautiful at 40. You're supposed to." And Calgary's **Rosemary Koch**, 16, declared that as a model your career ends only "when you start getting wrinkles."

When the mood strikes him, **Malcolm Forbes**, the New York-based multimillionaire publisher of the business magazine *Forbes*, takes his Harley-Davidson motorcycle and tears his foreign country. Over the past seven years, Forbes says, he has "done" the Soviet Union, China, Afghanistan, Egypt and Thailand, usually working in some hot-ter bathroom along the way. Recently, 68-year-old Forbes and his entourage paid a six-day visit to British Columbia on his bike, and this week they depart for a tour of Japan. Said Forbes: "I had a depressed childhood and now I'm having a depressed adulthood. There's a hell of a lot of places in the world that we'll find an excuse to visit."

In a 1960 as elegant new theatre, the **O'Keefe Centre**, opened in Toronto with a charming comedy, *Comet*, and a scheduled Toronto baritone **Robert Goulet** as an international star. Since then he has appeared on Broadway, in movies and TV and sang for royalty and presidents. But apparently success has not spared 35-year-old Goulet. Last week he said that he is excited at the prospect of returning to the O'Keefe after 20 years, where he will play the lead in the musical *South Pacific*, opening on July 26. Declared Goulet: "Oh, I never play on that stage again! I'm going to have goose bumps!"

Criminally have two things to say about Mrs. says Toronto light-opera star **Gerard Isaac**, 32. First that he steals the show and, second, that he

reminds them of **Joel Grey**, star of the movie blockbuster *Catfish* issue, who must play Alexander in the New York City Opera Company's production of *New Moon*, attributes the first comment to the type of roles he gets. As a counterbalance who can cover the aggressive-contralto range and as a "wild" dancer, he is usually cast in popular comic roles. He added that opera audiences, accustomed to "just singing," appreciate "seeing me singing my aria while kicking my legs over my head." As for his resemblance to Grey, Isaac says

to his long-running investigation of people involved with so-called gopher phenomena. Last week Isaac received a \$750,000 fellowship from the MacArthur Foundation, a Chicago-based philanthropy, to continue his investigations. His targets, he says, are people who use illusion to swindle and deceive, such as some TV evangelists and those who claim to cure the sick using psychic surgery. Isaac says that as many as 20 different techniques can be used to create the illusion of a hand plunging into a body and manipulating internal or-



Gascovich (above); Kennedy and Schlessberg; beautiful at 40 but "bizarre fireworks" at 41

that when they first met a few years ago, "Grey came up to me and said, 'You look like me. What do you do?'"

At the *Amazing Randi*, Toronto-born magician and hypnotist **James Randi**, 61, intrigues audiences with weird-reading acts and making objects float in space. "It is all done by sleight of hand or simple trickery," he says, and added that his expertise lends creden-

gians—but not one will benefit patients. "They are just as safe afterward," he said. "They are one safer because their wallets are empty."

In March neither and intellectual **George Plimpton** told *People* magazine that he thought **Gertrude Kennedy's** fiancé, author and intellectual **Julius Schlessberg**, was "terribly bright—a lightning bolt, very high intensity." But last week Plimpton told *The New York Times* that although he had read a recent profile of Schlessberg, "I still don't know what he does."

Plimpton designed a fireworks display for the reception at 1040s Port, Nam, which followed the July 13 wedding of Kennedy, 38, and Schlessberg, 41. He added that the display would be "a series of strange fireworks, a whole heresy," and that it would be entitled "What Did Schlessberg Do."



Andrew and Sarah: strong enough to keep him in order

Gov. Gen. **Jeanne Sauvé** and **Nancy Ferguson** are gone. One of the bridegroom's former girlfriends, Canadian actress-model **Suzi Jaxon**, has been invited, but another, ex-film starlet **Koo Stark**, has not. The bride's stepfather, Argentine polo player **Hector Garza**, is invited to the ceremony, but he will not be in the procession. The details are part of the elaborate preparation for the marriage this week of Britain's **Prince Andrew** and **Sarah Ferguson**, both 26.

The July 23 ceremony, before 1,700 guests at London's Westminster Abbey, as a modest offer compared to the spectacular 1981 wedding of **Prince Charles**, Andrew's older brother and kingswearing, and **Lady Diana Spencer**, to which 3,600 guests were invited. But observers of royalty will see pomp, pageantry and centuries-old traditions surrounding the lesser royal wedding, which include vows that date back to the 15th century. Ferguson chose the 1682

version of the marriage vows, in which the bride promises to love, honor and obey her husband. Diana used the version drawn up in 1938 that replaces the word "obey" with "help."

The British Broadcasting Corp. said that it expects about 300 million viewers in at least 32 countries to follow the proceedings on television. The seven hours of live coverage will begin with the ceremonial carriage procession from Buckingham Palace and the **Queen Mother's** residence, Clarence House. It will end with the couple's departure by open state lands for a honeymoon in the Azores, a chain of Portuguese islands 1,100 km west of Lisbon.

The bride-to-be was reported to have dealt effectively with the public demands made on her during the preparations. Her natural cheerfulness and lack of pretension have already endeared her to the media, despite frequent references to her indecent style and ample figure—praiseworthy for a 26-year-old. Her alleged 65-inch hips. But earlier this month she returned from a week-long break in Antigua looking tanned and fit. She has also made regular visits to a

sauna, in which the bride promises to love, honor and obey her husband. Diana used the version drawn up in 1938 that replaces the word "obey" with "help."

Whether Sarah, who becomes **Princess Andrew**, will manage to come to terms with the less pleasant side of royal life—the stream of social engagements and constant public scrutiny—until unclear. Friends say she dislikes being surrounded by bodyguards and ladies-in-waiting. But they add that her outgoing nature will be a welcome addition to the royal family. Said Ferguson's former gossip-column headmaster, **Colin Meleis**: "I should think she would suit the young prince very well. She is strong enough character to keep him in order."

Some parts of the British media displayed an almost benevolent optimism in the days before the wedding. (In one recent story, British news agency matter of daily referred to Ferguson as "royal bride-to-be Sarah Bage.") But most news reports became increasingly estranged with the lively young woman who will marry the next heir to the throne. Seven British women over whom it reported that she was coming last week while Prince "Randy Andy" was enjoying his bachelor party at another club, Ferguson and Diana appeared at Antebell's nightclub dressed in polka-dot, off-the-shoulder, and uniforms. The two women guzzled and sipped champagne at the club bar, then slipped away as other guests began to recognize them. It is illegal in Britain to drink alcohol as police officers, but the Daily Telegraph reported that a Scotland Yard spokesman said police would not prosecute.

In a burst of attention, the Daily Express paper once described Ferguson as "flame haired, fearless, freckled and fun." The paper added that she had had enough of "happy princesses who can't sleep on a hard bed under dozens of feather mattresses." Declared the paper approvingly: "Fergus is more the down-to-earth type who would be brought up in a real and not out the pen."

—Edited by MARY MEYER

Sarah, Theresa and her



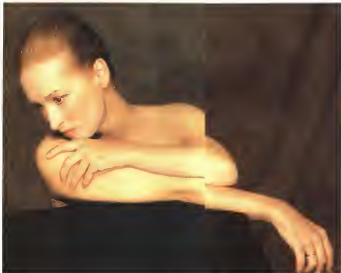
THE STARS OF SUMMER

COVER

Gossip is a powerful currency in the realm of romance—and of politics. Gossip—confirmed by Deep Throat—helped a pair of Washington reporters, Carl Bernstein and Bob Woodward, to unearth the Watergate scandal which toppled U.S. President Richard Nixon in 1974. In the 1976 film of their book, *All the President's Men*, Hollywood portrayed the two journalists as defenders of public morality. But more recently, gossip has made Bernstein's personal morality a target, the man who became famous exposing the betrayal of U.S. democracy is now notorious for betraying his wife, journalist Nora Ephron. In 1983 *Ephron* published *Heartburn*, a thinly veiled account of her marriage to Bernstein, which included such lines as, "the man is capable of having sex with a venetian blind." This week the film version, starring Megl Streep and Jack Nicholson, opens across North America. What is remarkable is that it is based on a screenplay written by Ephron and assembled by Bernstein. Rarely have the subjects of gossip participated so fully to turn their domestic strife into Hollywood legend.

Hungry *Heartburn* typifies an era in which movies, books and the other media are transforming private lives into public property at an astonishing rate. The heady political currency of the Watergate era has given way to a hunger for celebrity gossip, from the assembly line of stars who parade through *People Weekly* and *Us Weekly* magazines to the tabloid television of *Life* and *Parade*. Acquiring screen rights to celebrity scandals is a Hollywood growth industry. As Bernstein's estranged wife sold the screen rights for *Heartburn*, his ex-partner, Woodward, sold the screen rights for *Word*. *The Short Life and Fast Times of John Belushi*, his book about the 1982 drug death of actor John Belushi. Everywhere, it seems, is trying to cash in—even the daughter of U.S. President Ronald Reagan, Patti Davis has said she might star in a TV movie based on *Moore Front*, her autobiographical novel about growing up with two alcoholic parents bound for the White House.

Artists have often served up personal experiences as fiction. Last year



Streep, odd parallel between celebrities and the actors portraying them

director Henry Jaglom released *Alone*, in which he retold the story of his painful divorce. Jaglom not only starred in the film but cut his ex-wife, Patrice Townsend, in the opening role. Many of Woody Allen's films play with autobiographical elements. In his 1985 film, *Hannah and Her Sisters*, Allen cast himself as a neurotic

comedy writer, his girlfriend M. Farrow as his former wife and Farrow's real-life mother, Maureen O'Hara, as the former mother-in-law. And he filmed much of it in the intimacy of Farrow's own New York apartment.

Those who play a more passive role in having their lives exposed to public scrutiny, including Bernstein, some-

times become philosophical about their celebrity. Bernstein, whose Dustin Hoffman portrayed in *All the President's Men*, said of his upcoming screen portrait in *Heartburn*, "I'm now the only living Jewish American with two movies based on his life—with the exception of Woody Allen." Still, *Heartburn* stands apart from the autobiographical art of Allen and his like. Its drama has become inseparable

from the layers of media gossip and legal controversy underlying it.

Bernstein's two main characters are Rachel, a New York food writer, and Mark, a Washington columnist. Their resemblance to Ephron and Bernstein is tenuous at best. Just before the birth of his second child, Rachel divorces that Mark is having an affair with Thelma, wife of the undersecretary of state for the Middle East. After their divorce, just before the birth of her second child, discovered that Bernstein was having an affair with Margaret Jay, wife of the British ambassador to Washington and daughter of former British prime Minister James Callaghan. Ephron, already well-known for her witty slice-of-life articles and columns in *Esquire* magazine, took an unusual step. She immediately asked her friend Les Binik, a gossip columnist, to report that the Ephron/Bernstein marriage was over. *People Weekly* dutifully picked up the story.

Odd: The film version adds a double romance. It draws on the public's fascination with two media celebrities—and with their odd parallels to the movie stars portraying them. Nicholson has a reputation as a philosopher that may Bernstein's own (page 38). And Streep, whose *Heartburn* character wearily struggles through two pregnancies, was uncomfortably pregnant with her third child during the filming. "I was in the early stage of pregnancy and very sick," Streep told *Time*. "At the same time, I was toting around this 18-pound prosthetic pregnancy for the movie, so I had the worst of both worlds."

Although Streep says she was creating a character rather than trying to play Ephron, she added, "I stole her costume and her glasses." Meanwhile Ephron, who was on hand every day during the shooting, arranged to make her former New York apartment available as a location. Bernstein and the divorce agreement he negotiated before filming began

scared as the most orthodox creative influence on *Heartburn*. Director Mike Nichols told Madonna: "There were certain ways in which our didn't want to upset Nora's ex-husband. That was a specific responsibility—it was part of the agreement she had made." Bernstein had absorbed the shock of the book's publication with grace, publicly describing it as "just like *Nora*—sorry about it, I know when he learned that she had sold the movie rights, he took the offense. As he roiled, he told Ephron, 'Well, that's enough. I think now you're into an area where the kids can really get hurt, and also it's making a public spectacle of our lives.'"

Focus: The issue became the focus of a spirited debate in the media. Last fall *Us Weekly* columnist Tristan Vox accused Ephron of violating the privacy of her two children, Jacob, 7, and Max, 6. Bernstein's 1984/85 *Us* wrote, "In total disregard of the confidentiality of a mother toward her children." Meanwhile, both Ephron's movie agreement and her script became fodder for a lengthy legal battle. In addition to smoldering just outside of the couple's two sons, the Ephron/Bernstein divorce agreement last year spelled out how both Bernstein and the children should be portrayed in the film. One clause stipulated that the character based on Bernstein "will be portrayed at all times as a caring, loving and committed father." Another clause said that the main characters' children must be female, to distinguish them from the Ephron/Bernstein boys.

Bernstein also won the right to suggest revisions to the screenplay. And after seeing various versions of it, he took exception to that movie's important changes he had requested. As a result, the Bernstein character is portrayed more sympathetically in the film than in the novel. While the film reproduces large sections of the book's dialogue intact, the "venetian blind" line is noticeably absent.

Women: In fact, Hollywood appears to have provided Bernstein with the ultimate forum for improving his image in Ephron's book, paired with the Jewish woman of betrayed the husband was a broken call. But in the film Nicholson said wit, charm, vulnerability and tears. The book is a story of romantic treachery punctuated by flashbacks of romance, but the film is a bitter-sweet romance ending in deception. Bernstein's story is the same after a rough cut last January. Said Bernstein: "The movie lacks the kind of anxiety, self-worship tone of the book. The sensibility of the book is John Waters/Nora. The sensibility of the movie is Mike Nichols/Jack Nicholson."

As director, Nicholson had artistic freedom

them as well as legal ones for forcing a more even-handed treatment of the characters. "A novel, after all," he said, "can be told from the viewpoint of any person, and a picture can't." Jack Nicholson and I both felt that the only way to give the story any kind of life was to present the husband's side with as much conviction as the wife's."

Nichols (The Graduate, Cornish Knowledge) has produced the actual work since the 1960s, where he established his reputation in the onscreen decades that he performed live with Elaine May. Over the past three decades his film and plays have served as three tests of changing mores. He accompanied with producers of light, Neil Simon comedies in the early 1960s. Then, in his 1966 screen adaptation of *Who's Afraid of Virginia Woolf?*, Elizabeth Taylor and Richard Burton, one of the most celebrated divorce couples in Hollywood history, performed a sexual comedy on each other with some authenticity.

But despite the rancor and controversy that grew from *Who's Afraid of Virginia Woolf?*, Nichols insisted that it effects an era of sexual reconciliation. "There are more forgiving, less embittered times," he said. "The anger of the 1960s is perhaps being replaced by something more generous."

Gals: Nichols became interested in *Marathon* in 1985, when he was directing Meryl Streep in *Silverado*—a film co-written by Ephron. "Nora was a friend," he said. "I liked her book immensely and thought it was a real accomplishment, and then began to see it as a possible movie with Meryl." Streep, who was anxious to do a comedy, eagerly accepted the role. "I had been looking for something that was funny for a long time," she said. "But I couldn't find anything that had substance to it. This had guts and laughs."

Streep, along with Nicholson and Streep, insisted that the script be treated as pure fiction. But the parallels with the real personalities remain obvious. The film centers candidly out of Mark's home-improvement schemes, as he and Rachel live amid the dust and debris of a strained marriage. And Bernstein is a creative reinvigorator, who even temporarily sublet from others

There are further parallels. Rachel, rising through her husband's American Express receipts, discovers incriminating evidence, including huge bills for Beverly Hills, too, has estranged his lovers with downers. While pursuing Elizabeth Taylor, he gave her a magnificent floral arrangement for Christmas. According to one story, she replied, "This is all well and fine, Carl, but where's the jewelry?"

Awes: But what ultimately links art with life in the *Marathon* saga is that everyone—fictional and real—seems addicted to gossip. Rachel is an avid addict in gossip. Rachel is an avid participant in Washington's high-society gossip network. And when Bernstein told his estranged wife about his romance with Taylor, he says that Ephron's response was, "Carl, would you please leave now so I can get on the telephone and tell all my friends?" While Ephron is still rereading

more than 2,500 pages of formerly classified documents relating to Alfred and Sylvia Bernstein from the FBI, which had investigated their labor activities.

Meanwhile, Woodward is completing a book about the CIA. Still a close friend of Bernstein's, he has spoken harshly of Ephron. "It's more than revenge," he said. "It's make, or at least it has that effect." Yet despite his apparent defense of the right to privacy, Woodward has some anger for his own contribution to celebrity gossip. When in fact Nicholson, who was a friend of Bernstein's, has publicly branded Woodward a "plant."

Ephron refused to engage in public arguments about her work. Balancing to control her story is others, she has consistently refused to do interviews about herself. As she wrote in *Marathon*, "If I tell the story, I control the version."

She learned the laws of turning life into art from her parents, writers Phoebe and Henry Ephron. They wrote a 1961 Broadway comedy, *Take Her, She's Mine*, which concerned a middle-aged couple and their recalcitrant daughter, Melba, a character based on Nora.

Phoebe turning intimate relationships into artistic property demands deflection—especially with more than one writer involved. In her novel, Ephron discusses a paradoxical sensitivity to the difficulties *Marathon* contains scenes in which the wife, because the husband for glancing these domestic life for literary ideas. "I sometimes felt as if I were living with a cannibal," Rachel complains.

Feeding on human life is an appropriate metaphor for gossip. And Epstein serves as the central motif in *Marathon*. The book even shares the secrets of Ephron's kitchen and includes recipes ranging from linguine to bread pudding. The movie punctuates almost every stage of the romance with scenes of domestic life. Bernstein eating. In bed at four in the morning on their first date, Rachel serves Mark a seasonal spaghetti casserole. And she places a bifurcated key lime pie squarely in his face at a dinner party, signaling that the relationship—and the story—has ended.

—DEAN B. JOHNSON in Toronto

Complicity in fugacious limbo-green vagabonds. Jack Nicholson was clearly in a mood to party. He had flown to Toronto for a tribute to fellow actor Warren Beatty during the city's annual film festival two years ago—only to find himself a focus of attention. When a female reporter scrawled, "Want to dance?" on a note and held it up to him, Nicholson smiled broadly and dangled, "Pity she used the wrong verb." With such antics, Nicholson has carved out an image as one of Hollywood's most celebrated rogues. And in his latest film, *Marathon*, the actor—who has said, "Everything I do in the movies is autobiographical"—applies his wistfulness to his career, a Washington newspaperman who cheats on his pregnant wife. In an impressive display of his talent, Nicholson invests the treacherous husband with warmth and humanity. Said Nicholson, "You have to search out the character's own rationalizations—a character's personal philosophy about himself."

Waters: That comprehensive approach has made Nicholson, at 40, arguably America's premier actor. He is a veteran of 17 movies that make up a wide-ranging collage of contemporary masculinities. He has played everything from a madman (*One Flew Over the Cuckoo's Nest*) to a former astronaut (*Twins of Deceit*). The creatively restless Nicholson has also directed *Drive Me Crazy* (1978) and *Glen or Glen* (1981). But he is best remembered for his complex portrayals of rogues and antiheroes, including a rebellious inmate of an insane asylum in *One Flew Over the Cuckoo's Nest*—a role for which he was the 1975 Oscar for best actor. The definition that Nicholson brings to each role is extraordinary. Mike Nichols, who directed him in *Marathon* and *Cornish Knowledge*, told *Marathon*'s director that the intense preparation will before the

picture, and then an apparent innocence while doing it."

Although he has a reputation as a consummate professional, Nicholson is also a notorious carouser. His appetite for marijuana and night life is well-known, and he often burns the slightly



Nicholson is consummate professional with aura of decadence and mischief

debauched look of a strenuous pleasure-seeker. Not his sense of fun is contagious. Recently he dropped by a *Playmate* concert at Los Angeles's Ritz club. As photographers clustered around him, he stroked his temples and advised them, "Make sure you get both my eyes in." Despite a long-standing relationship with actress Anjelica Huston, he has had affairs with such celebrities as Margaret Trudeau. He is also an avid fan of the Los Angeles Lakers basketball team, which provides him with videos of games

when he cannot attend. Currently, Nicholson is pushing his aura of decadence and mischief to new extremes. He is now in New England shooting *The Witches of Eastwick*, a film version of Jane Yip's novel. He portrays the satanic Darryl Van Houten, who swirls at the victim and seduction. Typically, he prepared obscenity for the part, studying the victim and even reading Dante's *Inferno* to ponder the nature of evil. He declared, "I want people to think Jack Nicholson is the devil."

The man who plunges so deeply into his characters has always had a penchant for fantasy. As a child in Neptune, N.J., he liked to write whimsical stories to escape the tedium of a household in which the man he thought was his father was frequently drunk. Then, in the mid-1970s, he discovered that the woman he believed to be his older sister was his mother, while his "father" was in fact his grandfather.

Whistle: At 40, as he completed high school, Nicholson moved to Hollywood and drifted into acting. In 1966 he made his first movie, *The Cry Baby Rides*, and went on to act in a string of low-budget B pictures. It was only in 1969, when he played an alcoholic Southern lawyer in *Easy Rider*, that he began to emerge as a major star. Now he is a wealthy one. His two-story villa, built out of a cliff overlooking Los Angeles, is accessible only by a private road. Luxury cars line the driveway and paintings by Matisse and Picasso adorn the interior.

Still, even a Hollywood bedouin has worries. Nicholson said that he despises the mediocrity of *Marathon*, teenage-oriented films. Yet he retains his delight in acting. Meryl Streep, his costar in *Marathon*, told *Marathon*'s director that he is a man of joy to the net, so that it's fun to act with him. "Transported from set to screen, that joy has turned Jack Nicholson into a character legend."

—PATRICIA ALBERTY in Toronto with ANN GREGG in Los Angeles

THE SCREEN'S CHAMELEON

COVER

Meryl Streep has played more than her share of long-suffering victims—as Annette Bening's survivor in *Sophie's Choice* (1982), a martyr to nuclear power in *Silwood* (1983) and a writer who loses her lover and her faith in *Out of Africa* (1985). Last year Streep said she would "kill for a comedy role."

She has found one in *Heartburn*, the film based on Nora Ephron's comic novel about marital infidelity. Director Mike Nichols had first discussed *Heartburn* with Streep when they collaborated on *Silwood*. And Ephron's script for the movie dropped, quite literally, out of the sky while Streep was in Kenya filming *Out of Africa*. The actress told *Modern* it is an intense last week: "It was flown in as a helicopter to the Maasai desert, a salt lake in the middle of nowhere. It was really funny to go sit in a tent where it was a million degrees, and read that thing that was so far away—in the streets of New York and the back yards of Washington."

Alchemist: Streep is Hollywood's chameleon star. She affects dramatic shifts of accent, posture, complexion and hair color, and her characters appear to be as much a triumph of alchemy as of acting. She was pale and ethereally Victorian in *The French Lieutenant's Woman*, a gun-chewing Oklahoma activist in *Silwood*, and then a sophisticated Jewish housewife in *Heartburn*. After winning two *Academy Awards* and reaping sustenance for four years, Streep is one of the most adulated actresses of her time. Nichols, who directed her in both *Silwood* and *Heartburn*, told *Modern*: "She has this almost uncanny ability to become different people physically, with very small, not immediately visible adjustments in her responses and in the way she carries herself."

Streep's craft is rooted in an affection for language and a classical education. Born in New Jersey, she was one

of three children, raised by Harry Streep Jr., a pharmaceutical company executive, and Mary, a commercial artist. She recalls that as a child she was unopposed and ugly. But in high school she took acting lessons, persuaded her hair and was the title homecoming queen. Next, Streep took a BA at Van-

tion knew they had a hot property on their hands and cast her in everything they could."

Her early successes were comedies. *The New York Times* called her "deliciously funny" in a 1977 production of Chekhov's *The Cherry Orchard*. But the next year the serious Streep was an Emmy for starring in *McMafia*, a TV mini-series about Nazi persecution of the Jews. By 1980 she was a star with a series of acclaimed films, culminating with *Kramer vs. Kramer*.

Craft: As the actress has stretched the limits of her craft, adopting exotic accents and mannerisms, there has been some critical scribing. Toronto critic Jay Scott has called her "one of the most inventive actresses of her generation—she keeps finding new ways to be bad." But at a New York press conference this month Streep displayed a dry wit about critics. "Oh, well," she said with mock disdain. "But it's not like I'm not confident about this stuff. 'Well, we've seen so many accents, you know. Okay, okay. I'm sorry.'"

Considering her reputation for high drama, Streep is surprisingly whimsical and candid offscreen. She confessed that she found it "horrifying" to play scenes with babies in *Heartburn*. "They will do hundreds of takes," she said, "where they die out of the camera shot or throw up." Now living in rural Connecticut with her husband, sculptor Donald Gummer, Streep herself is mother to a six-year-old son, a two-year-old daughter and a baby girl born just two months ago. Devoting herself to motherhood, Streep said she no longer feels "this pressure to top myself." Next fall she plans to appear with Jack Nicholson in *Fireman's*. "I play a woman who has hit the studio," she said with a laugh. Once again, Streep will play a character far removed from her own charmed life.

—BRIAN D. JOHNSON in Toronto



Robert Redford, Streep in *Out of Africa*; Streep (below): *Heartburn*



TIDES OF SUMMER FUN

COVER

A unwritten law of the summer box office is that you can lead moviegoers to air-conditioned theaters, but you can't make them think. Once again, summer audiences are taking up for breezy comedies, including *Back to School*, *Club Paradise*, *Archie*, *People* and such lightweight action fantasies as *The Karate Kid Part II* and *Top Gun*. But

while film fans are sloppily looking for a good time, movie executives are deadly serious about summer entertainment. Producing the season's collared fruit is a costly business, even modest comedies frequently cost more than \$20 million to produce and market. And, like the weather, the competition heats up in the summertime, the season when studios flood the theaters with big-budget releases. Said Miramax's Mark Goodson, executive director of the Canadian Motion Picture Distributors Association: "Historically, if

there is an important time of year for us, the summer is it."

This season studios are fighting back after a financially dismal spring. Says Dwayne Ryce, reporter and film critic for *The Hollywood Reporter*: "In April there was a series of weak and forgettable releases. They were terribly insignificant and not well done." Later in the spring two violent action

movies, *Cobra*, starring Sylvester Stallone, and *New Best*, starring Arnold Schwarzenegger, surprised studio executives by failing to develop into blockbuster hits. But although the market is sluddering for such films—that the industry calls "spettator flicks"—other types of action movies are making a strong showing. Paramount's *Patriot* *Top Gun*, which stars Tom Cruise as a

hard-living, high-flying fighter pilot trainee, has grossed more than \$100 million in its first eight weeks in North America. It stands poised to become the first 1986 release to break the \$100-million U.S. barrier. And a more recent release, Columbia Pictures' *The Karate Kid Part II*, the high-kicking sequel to the 1984 original, has been the top-making weekly box-office attraction in the United States and Canada since its June 20 opening.

For the rest, the summer's top-grossing films



Scenes from *The Karate Kid* & (above) *Dangerfield* and *Heartburn*

have been comedies. Leading the fast-paced comedy pack are *Crain Pictures' Back to School* and *Touchstone Films' Rudeless People*. In *Back to School*, pop-soul comic Rodney Dangerfield wreaks havoc as a separated-and-freshman. The film grossed \$73 million in its first five weeks in U.S. theaters and \$1.7 million in Canada. Its closest box-office rival, *Rudeless People*, stars Bernie Mac as a formidable business who is kidnapped, but who eventually terrorizes her captors.

Debut: Trailing slightly behind the top comedies are other summer fruits. They include Paramount's *Barbershop*, *Day Off*, starring Matthew Bro-

der starring in mid-July, despite lukewarm reviews. Meanwhile, 30-year-old Toronto actor Chris Mahanant is starring opposite Grant Tinker in the newly released *Wing*, a film that is part comedy, part horror—and pure camp. Canadians are also making moves at home. In mid-August Norstar Release, a domestic production and distribution company, will release *Badha*, a drama shot in Kimberley, B.C., about a mountain clan terrorizing a small town. The film, which will be distributed by Universal Studios in the United States, will be shown at a total of 1,200 theaters.

At the midpoint of the summer sea-

Gilda Ruffini and Gene Wilder, will open this week. Also centering this week in Paramount's *Barbershop*, starring comedian Jack Nicholson and Meryl Streep (page 36) is early August executive producer George Lucas will attempt to turn the cult comic book *Howard the Duck* into a cult movie of the same name. Films holding to be hits as August releases include *Shogun*, an action comedy starring Madonna and Sean Penn, and Canadian horror director David Cronenberg's remake of *The Fly*.

Predictions: Although the studios are casting confidence in their opening



Kelly McGillis and Cruise in *Top Gun*; Dolly Dots in *Rudeless People*; serious competition for summer moviegoers

derick as an insouciant adolescent who converts high school hockey in his father's Ferrari, and Universal's *Legal Eagles*, a courtroom comedy starring Robert Redford and Deborah Winger, directed by Canadian bar barman. But *Legal Eagles*, Reitman's first foray into sophisticated adult comedy, has made only \$46 million to date and is beginning to wane at the box office. It is a modest success in comparison to his recently, adulation-oriented hits of summers past. National Lampoon's *Animal House*, which has grossed \$200 million since its release in 1978, and 1980's *Caddyshack*, the highest-grossing screen comedy to date.

Ballman is only one of many Canadians contributing to the summer's comedy deluge. Toronto's Rick Moranis and Eugene Levy star alongside Robin Williams, Peter O'Toole and Jonathan Demme at Jimmy Cliff in *Chad*. Parovoz, Warner Brothers' tropical farce. The film opened with a strong box-of-

ice, a film comparable to last summer's runaway hit *Back to the Future*, with Michael J. Fox, has yet to emerge. The 1986 two-way comedy made more than \$11 million alone during last year's July 4 weekend. It has gone on to earn \$200 million to date. But the star has a much smaller score. *Barbershop* has made only \$46 million to date and is beginning to wane at the box office. It is a modest success in comparison to his recently, adulation-oriented hits of summers past. National Lampoon's *Animal House*, which has grossed \$200 million since its release in 1978, and 1980's *Caddyshack*, the highest-grossing screen comedy to date.

The reception is about to intensify. Several major studio releases are scheduled for the second half of July and the month of August. Last week 20th Century-Fox released *Alaska* (page 46), which the New York-based entertainment newspaper *Newsday* will keep audiences "tempted to their seats with drooling desire."

Cut: For those who prefer their dread dished up with laughter, Orion's *Haunted House*, which stars

releases, the season will likely outnumber the hit. Said Gregory Morrison, executive vice-president of worldwide marketing at most "The summer is sagging under the pictures. There is a big lull in the last two weeks of July and then a rush in August. There are bound to be a lot of casualties." What seems like a good idea when a movie goes into production may well become yesterday's fluff before its release. Like *Backstreet* before, the studios can only hope that they have put their money on winners. At the moment the summer belongs to Paramount, with its two hit movies, *Top Gun* and *Forever Bad*. But, said Sidney Ganis, president of worldwide marketing at Paramount, "There are ever changing. The business has an incredibly short shelf life." And summer pictures are notoriously quick to cool.

—PAMELA YOUNG AND ANN GEORGE
in Los Angeles

FILMS

A tale of love gone sour

HEARTTURN

Directed by Mike Nichols

The poetic version of Nora Ephron's highly autobiographical novel, *Barbershop*, leaves much the same sensation as the title implies, an aching, gnawing feeling that refuses to go away. Adapted by Ephron herself, the chronicle of a di-

suggests that people should spend a little more time together before going to bed. But in trying to keep a balanced view of her past, Ephron trades off the powerful, direct expression of her feelings for detached observation and cool objectivity.

The two mismatched lovers agree to wed, but then Rachel holds up the ceremony for hours. Refusing to come out



Streep, intent and Nicholson: an aching, gnawing feeling that refuses to go away

summer marriage is less a caustic narrative than a series of snide, stinging vignettes. Despite moments of beauty, the film leaves a slightly bitter aftertaste as audiences out from its ambiguous ending, its theme of failed love echoes disquietingly.

Mark (Jack Nicholson) is a Washington newspaperman modeled on Ephron's own ex-husband, former Washington Post reporter Art Bernstein, of Washington fame. Mark has a reputation as a womanizer. Rachel (Meryl Streep), who works for a Manhattan food magazine, is divorced from a man whose notion of a good time was to treat his pet hamsters, Arnold and Shirley, as surrogate offspring. Both Rachel and Mark are wary of the idea of marriage. They meet and fall in love.

Neither the script nor director Mike Nichols (The Graduate, Silkwood) makes it clear why each character is so attracted to the other. The film merely

of the bedroom, she becomes the fact that she will have to leave New York to relocate in her new husband's city. "I can't even get a decent hotel in Washington, D.C.," she wails. Then her therapist (Madonna Stapleton) reminds her that "divorce is only a temporary solution" in the guise of love. Finally, Julie (Stockard Channing), one of Mark's friends, convinces her to go ahead with the marriage, saying, "You're the only decent woman I know of who's been decent to me."

So Rachel and Mark wed, buy a run-down house in Washington and have a baby. Before long, Mark has an affair with the statuesque Thelma (Karen Allen). Rachel, pregnant with their second child, runs home to her father, Mark wins her back, they have the baby—and the marriage falls apart.

Some of the scenes, and the supporting performances, are sharply observed and often extremely funny. As Betty, a gossip Washington journal-

ist, Catherine O'Hara gives a scuzzily cutting portrait of a woman who damages others' lives out of her own cynicism and obsessive need to amuse herself. Stapleton plays Rachel's therapist with warmth, as a calm, caring den mother. And as Julie, Rachel's supportive friend, Channing is wonderfully sympathetic and cool.

What prevents *Barbershop* from being more dramatic is that its story is too one-sided: although more even-handed than the book, it still focuses on Rachel and leaves Mark's motives unclear. Streep, often unattractively photographed, even goes as far as putting on a wig to resemble Rachel. But Nicholson, with his usually weedy

regiment eyes and two of the whitest fangs in show business, is often amazing despite the limitations of his cartoon villain role.

Director Nichols is most successful when investigating the pain, and the comedy, of emotional betrayal. In one poignant scene in a beauty salon, Rachel is having her hair teased to make herself more attractive to her husband. But while her hairdresser is gossiping about the infidelity of others, it begins to dawn on her that her husband is having an affair. The next scene follows brilliantly: she returns home, her hair-dote and still standing on end, to search Mark's desk for

proof of his philandering. In other scenes, the film explores the competing and the fatal, with scintillating but competing results. After Rachel nags her wedding band from Thelma, she tells Mark, "I love this ring, but it doesn't go with my life." When she leaves Mark for the second and ostensibly final time, Nichols sounds a note of touching doom. The sound track features Gary Numan singing a lullaby version of the old country rhyme about the "lily-baby spider" who keeps tumbling off the waterspout only to climb back as again. It seems likely that Rachel, too, will find another waterspout to climb.

Heartburn is a maturing film. But in the end it is like a mugging film. It traps the viewer, yet whose negligence and finally honest perceptions ultimately render us less glib. And when the film ends, we who are forever stumbling obstacles, it can send shivers up the spine.

—LAWRENCE O'TOOLE



Levy, Mary Gross, Robin Duke, Maurice reggae, ballroom and shifting action

ALIENS
Directed by James Cameron

When last seen in the 1979 movie *Alien*, Ripley (Sigourney Weaver) was the only member of her spaceship crew to survive an encounter with a voracious space monster. After blasting the creature out of her space shuttle's airlock, Ripley attached herself to life supports and went into a deep sleep for the long voyage home. *Aliens*, that film's exciting sequel, resumes the story 55 years later when Ripley (Weaver) arrives back on Earth. As in the first film, big-business concerns are using distant planets for colonization. And once executives of the nameless corporation that is still Ripley's employer order her to return to the deadly planet where the first encounter took place, the alien species the corporation wants to know what has happened to its colonists. Ripley asks incredulously: "Have the dropped while I was away?" But she has to go or lose her job.

Accompanied by a group of tough, heavily armed soldiers, two of them women, Ripley returns to the nightmarish planet. There the tiny band finds that the mother alien has laid eggs, which have hatched and killed the local humans. The only survivor is one wild child, a little girl named Newt (Carrie Henn), whom Ripley adopts. With back hammer and an eerily brilliant soundtrack, Cameron-born director James Cameron (*The Terminator*) has turned *Aliens* into a cliff-hanging action film

that is chillingly good fun. There are intense escapes, subplots and numerous foreshadowings for the happy, newly hatched, space alien. Finally, Ripley confronts the mother of the horde, woman to woman, in a spectacular battle. *Warner* brings wit, warmth, compassion, sweat and strength to her heroic role. Fans who rarely had it so good.

—LAWRENCE OTOOLE

CLUB PARADISE
Directed by Harold Ramis

Jack Monahan (Robin Williams) is a depressed free-lance who leaves his job and retires to a Caribbean island. But his rest and relaxation are only temporary. After a five-month hiatus, Jack, the hero of *Club Paradise*, becomes embroiled in a tax dispute between the island's unscrupulous prime minister (Adolph Caesar) and a musician, Ernest (Jimmy Cliff), who owns a debt-ridden nightclub. Agreeing to help Ernest, Jack transforms it into a lucrative nightspot named *Club Paradise*. But like the ramshackle club itself, the movie is a misadventure—never as much fun as the characters pretend.

From the beginning, *Club Paradise* squanders the formidable talents of its cast. That group includes Peter Onorati as the island's surfboard governor, SCTV humorists Rick Moranis and Eugene Levy as Barry and Larry, two unattractive, fun-seeking husbands, and Andrea Martin as a frustrated housewife. Still, a few funny moments brighten up

the proceedings. Commenting on the island's fragile democracy, Jack describes his adopted country as the "only country where the constitution is written in pencil." And Caesar, who died last March after the movie was completed, comes off not minor role with a gleeful and memorable tenacity.

But the rest of the cast, including Williams, founders under Harold Ramis's unrelenting director. Onorati and Martin are burdened with shapeless characters, and vague superlative Cliff does little more than provide songs for the soundtrack. *Club Paradise* turns out to be a package deal that skips on laughter.

—GRAFFIN SHAFER

"ABOUT LAST NIGHT"
Directed by Edward Zwick

For those who are tired of endless youth movies about reckless teenagers, *About Last Night* provides some relief. Based on David Mamet's award-winning play *Sexual Politics* in Chicago, it is a story of young love told with a bracing blend of wit and cynicism. Darcy (Rob Lowe), who sells restaurant supplies, meets Debbie (Demi Moore), an art director, at a softball game. After what they assume will be just a one-night stand, they fall in love and move in together—against the advice of both Darcy's best friend, Bertie (Jon Bon Jovi), and Debbie's roommate, Joan (Elizabeth Perkins). Joan becomes increasingly distressed about losing Debbie's friendship. And Bertie, an arch-charismatic, constantly berates Darcy for making such tactical blunders as using the trendy "I word" (love), especially with "a broad."

Lowe's ingenuous, anti-heroic glances at his role remarkably well. He is the perfect foil for Moore, whose character is quietly in command of the relationship—initially, at least—and sexually. When their passion drifts from lustier to serious talk, the scenes start to fall apart. But *Sexual Politics*'s offbeat humor makes the film such a treat it seems worth watching.

Those familiar with Mamet's more realistic view of relationships may find *About Last Night* offensively glossy. The film-makers have performed radical surgery on the original drama, revising it and adding some points will see (as in a classic case of Hollywood's treatment of reality) work on its own terms, displaying more wit and emotional depth than a more original teen screenplays.

—BRIAN D. JOHNSON

SPORT

Tearing the Commonwealth's ties

They have come to be known as "the Friendly Games," a quadrennial sporting symbol of the political ties between the 48 countries, colonies and protectorates that once comprised the British Empire. But as the eve of the 1984 Commonwealth Games, both the friendly and political ties were under severe strain. Compet-

financial problems Organizers set out to raise a budget of \$50 million without government help. But last month they reported that they were \$8 million short of their target and owed to newspaper publisher Robert Maxwell. He became the Games chairman, donated \$4 million and appealed for donations.

Games? They should be cancelled." But Games chairman Maxwell declared that the Games will go on. Said Maxwell: "Dropping these Games will not end apartheid. If it did, I would not hesitate in cancelling the Games."

Among the competitors will be 280 Canadians. Last week Prime Minister Brian Mulroney said that a boycott "is not one of the elements that we would consider helpful." Even without the boycott, the Canadians—who finished third behind England and Australia in 1982—were forced to finish first.

Track and boxing events will be most affected by the boycott. Canada's Ben Johnson, who recorded the second-fastest 100-m sprint ever in Moscow on July 4, now will not be pushed by his only Commonwealth rival, Nigerian Chris Imoh. And Imoh's teammate Isaacson Rabinovitch would have been a favorite in the 400-m race. Kenya's pole-vault star the Games Mike Musyoki, winner of the 1984 Olympic bronze medal in the 16,000-m, and John Nkagwu, winner of the world country championship, and Kenyan boxers won three gold medals at the 1982 Games.

In an unexpected development last week, Canada also lost some key participation. Federal Minister of State for Fitness and Amateur Sport Olaf Johnston barred its athletes from the games after Sport Medicine Council tests found evidence of steroid steroids in their urine samples. They were weight lifters Jacques Demers, Glenn Beck and John-Pierre Fournier; shot putters Michael Spittars and Peter Dugas; and discus thrower Robert Gray. Johnston also cut government funding to the athletes for life.

Still, Canada is showing its best-ever sports record. It will be expected to repeat her Commonwealth gold-medal performance of 1982 and 1970, and the world-ranked swimmers will renew their heated rivalry with Australia. But expressing a sentiment shared by athletes of the boycotting nations, Nigeria's team captain, Jaja Omogunso, said, "It is four years down the drain, and there is nothing we can do about it." Said Maxwell, appealing to the boycotting nations: "For God's sake, don't do it. Let the Games go on." The Games will go on—but with a little less friendship and a little more politics.

—BOB LLOYD in London



The Canadian team at their Toronto send-off: less friendly and more political

itors from at least 26 nations, including Nigeria and Kenya, will not be among the athletes parading into Edinburgh's Meadowbank Stadium on July 24 for the opening ceremonies. The African-led boycott, in protest over British Prime Minister Margaret Thatcher's staunch refusal to impose economic sanctions against South Africa and its apartheid policies, cost the Games much of their competitive lustre and the Commonwealth much of its harmony. Said British runner David Moorcroft, the Commonwealth 1000-m champion: "I always thought that one of the great things about the Commonwealth Games was that they were relatively free of politics. I guess I was naive."

As the boycott over Thatcher's stance gained momentum, beleaguered Games organizers confronted

While the financial problems were not entirely resolved, neither was the status of runner Sola Bolu, 26, and swimmer Appoline Cowley, 19. The South Africa-born athletes held British passports and were to represent England. Last week the Commonwealth Games Federation barred them, ruling that neither met the eligibility requirement that competitors live in the country they represent for at least six of the 12 months prior to the Games.

But this week a British high court will hear Cowley's challenge to the ruling, and the Federation itself will hear appeals by both athletes. As the controversy continued and the boycott grew, Conservative MP John Carlisle urged all athletes to boycott. Said Carlisle: "The so-called Friendly Games have turned into the Vendetta

Tales of cannibalism and Satanic rites

Dawn LeRanc, a veteran reporter with the Hamilton, Ont., *Spectator*, was covering a routine criminal trial last fall when he learned about a far more newsworthy case nearby. Intrigued, LeRanc attended a hearing in a sealed family court—and listened as lawyers for the Hamilton-Westworth Children's Aid Society (CAS) presented evidence that wanted to make two young girls wards of the Crown. LeRanc's Oct. 16 story on the hearing attracted attention across the country, because the girls alleged that their parents had forced them to take part in graveyard Satanic rituals involving the sexual abuse, murder and dismemberment of other children. A foster mother who took care of them last spring testified that the two girls had told her of "every mortal punishment [they] ever heard tell of, and a lot I didn't."

The girls themselves are too young to testify in court, but the heinous evidence relayed by their foster mother includes charges that their parents and other adults had forced them to eat human flesh, perform in pornography films and witness acts of brutality. And with more gruesome accusations unfolding daily, District Court Judge Thomas Beckett tried to prevent sensationalist coverage. To that end, Beckett limited access to his media organizations which made representations to the judge last October that reporting the hearing was in the public interest.

Besides *The Hamilton Spectator*, the organizations are Hamilton's CHSN-TV and CHSL radio, *The Toronto Star*, the Toronto Globe and Mail and CBC Radio. Beckett also banned the publication of any details, even those ages, which might reveal the children's identities. And last week, according to 94 days of evidence in a case punctuated by lengthy delays and interruptions, the judge adjourned the case until

Aug. 18. Despite the recess, breaking news stories concerning the credibility of young witnesses, the possible existence of a Satanic cult in the area and the procedures that police and social agencies followed.

For one thing, the CAS case is heavily dependent on the testimony of the foster mother—a middle-aged woman



Brown allegations of ritual killings and dismemberment.

who began looking after the two children after the girls came into the care of the society in February, 1985. In court she quoted extensively from a cold-shoulder notebook containing 285 pages filled with tales of horror. She said the children told her that their natural mother had sometimes held a knife to their throats. And she added that the girls obeyed the woman's orders "because they knew that if they didn't they would be in a hole and somebody would be taking pieces of them home on a plate."

CAS lawyer John Harper added reports from 11 expert witnesses who

questioned the children and concluded that they were telling the truth. Devised one witness, Dr. Paul Steinbocker, a psychiatrist at Toronto's Hospital for Sick Children: "I just couldn't conceive of any other explanation of something so detailed, rich and consistent over time."

By contrast, the two police officers, sergeants David Brown and David Bowen, who investigated the accounts of adults sexually torturing young victims and then stabbing or shooting them to death, say that the stories are simply fantasies. Bowen said that as charges have been laid in the case and he added that he has not found any reports of missing children that match the descriptions of the supposed murder victims. And despite vivid stories about dead children being brought into coffins, the police say that they have not been able to find any graves containing the alleged victims.

Still, the police say that the children were abused. And they cite the foster mother's testimony that the little girls had suffered genital and complained that their mothers were sore when they first came to her house. But the CAS lawyers say videotaped therapy sessions show that the girls were replacing more sinister events when they acted out such gruesome scenes as cooking bodies in ovens.

The foster mother has also submitted as evidence a collection of the children's drawings depicting equally disturbing murder scenes. According to the foster parent, the older of the two girls once asked her, "How do you draw a picture when they don't have any legs or feet and the head is cut off?" How do you draw a picture of a dead person when you take them out to be buried in a hole?

But when the case resumes in August, the children's natural mother says she hopes to convince the court that she, her estranged husband and nearest boyfriend did not abuse the children or take part in Satanic rituals. The woman has been present in court throughout much of the hearing—often shaking her head vigorously to indicate disapproval. At that time, Toronto lawyer Michael Dietrich will urge Beckett to accept the results of a polygraph test on the children's father. According to Dietrich, the polygraph data support his client's denials. Then it will be up to Beckett to decide if the children's girl tales are based on fact or fantasy. ☐



Stiller (R). Kohn studies on a drug that holds promise for new diabetes

SCIENCE

Waging war on diabetes

Few Toronto researchers—Frederick Banting, Charles Best, J.H. Collip and J.H. Macleod—discovered the life-saving qualities of a crude hormone derived from pig pancreases in 1921. And in the years following their dramatic discovery, insulin has prolonged the lives of millions of diabetics. But the drug that is now produced by laboratory cloning of bacteria has a major weakness: it does not cure diabetes, the third-ranking killer disease in North America after cancer and heart attacks. The 4,000 Canadians who develop Type 1, or insulin-dependent, diabetes each year eventually suffer such complications as blindness. And, according to experts in the field, a 20-year-old diabetic is unlikely to live past the age of 50. But there is growing evidence that Type 1 diabetes is caused by the body's autoimmune system turning against its own tissues. And many researchers say that they hope cyclosporin, a drug which is commonly used to transplant surgery to inhibit the body's rejection mech-

anism, may prove to be highly effective in treating newly diagnosed diabetics. The June 30 in *Endocrinology*, members of a team of French scientists reported the results of a cyclosporin trial involving 154 volunteers. They said that close to 40 per cent of the patients were in remission after nine months of treatment. By contrast only six per cent of French diabetics who received placebo, or inactive substances, in a similarly sized control group were still in remission after nine months.

Then, two weeks ago Canadian researcher Dr. Calvin Stiller underlined the significance of those findings at a meeting of the International Congress of Immunologists in Toronto. Stiller, the chief of the multiorgan transplant unit at University Hospital in London, Ont., said this is 1983 Canadian cyclosporin study of 79 diabetics had achieved identical results. But he said that testing of cyclosporin was still in its experimental stages, and he added that the drug's potential side effects, which can range from increased hair

growth to kidney damage, could limit its usefulness.

Still, participants in Stiller's test now take cyclosporin twice a day in liquid form. And the 40 per cent who are in remission have given up their daily insulin injections. Deftly Stiller, who is currently helping direct another cyclosporin study involving a total of 180 Canadians, Finns, Danes, Austrians and West Germans. "This is a tremendously exciting development. For the first time, we are not just replacing insulin in order to maintain life for diabetics, but we are actually stopping the disease."

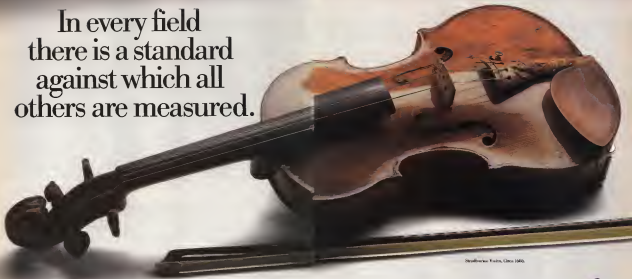
The new approach has also led to a better understanding of the disease itself. Many scientists now say that diabetes has three or more genes that appear to make them susceptible to the illness. In addition, they say that an outside cause—probably a viral infection or an environmental toxin—is needed to set the disease in motion. Such a virus would then cause cells in the potential diabetic's immune system to begin attacking islet cells. These pancreatic cells produce insulin, and when the body has only 10 to 15 per cent of its normal complement of insulin-producing, or beta, cells, a victim begins to feel diabetes and has high blood-sugar readings. Left undiagnosed and untreated, the disease would kill within a year.

Scientists, including Stiller, now say that overactive white blood cells, which direct the action of other defensive cells, may be to blame for the attack. Deftly Stiller, a University of Düsseldorf immunologist and collector of the joint cyclosporin trial. "It appears from animal models that a kind of white blood cell known as macrophages preferentially attack the beta cells. They probably do this under the direction of T-cells."

Researchers say that cyclosporin will not replace painful daily injections for diabetes who now use insulin. But they hope that within 10 years up to 70 per cent of newly diagnosed patients will be able to choose between cyclosporin and insulin. But there are drawbacks: even though the cyclosporin doses used in the Canadian and European diabetes trials were 30 per cent less than those amounts required by transplant recipients, most of the volunteers experienced unwanted growth of hair and gum tissue. While cyclosporin represents the greatest breakthrough in diabetes treatment since the discovery of insulin, scientists are not yet convinced that it is the ultimate prize as agent that will immobilize the cells that destroy the body's supply of insulin.

—PAT DOUGHERTY in Toronto

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there is a standard
against which all
others are measured.



Stradivarius Violin, circa 1660

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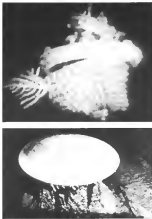
Exploring the Titanic's watery grave

Swinging down the majestic grand staircase of the Titanic and into first-class staterooms, a picture-taking robot nicknamed Jason Jr. last week exposed the seaken White Star liner's interior for the first time in more than 74 years. An expedition leader Robert Ballard watched a television monitor in a nearby submarine, Jason Jr., which Ballard calls a "swimming eyeball," descended four levels below deck and transmitted five hours of video images, including dramatic shots of a crystal chandelier still hanging in an undisturbed first-class room. Earlier, Ballard and two other U.S. researchers made oceanic history when they landed their 30-foot-long mini-submarine on the deck of the Titanic. The ship, once thought to be unattainable, now rests 12,000 feet under the surface of the Atlantic Ocean, 367 miles southeast of Newfoundland, said Ballard. "It was like landing on the moon."

On the second of 12 planned dives, Ballard, chief diver Ralph Harris and research assistant Martin Bowen uncovered a vividly colored world of spectacular decay and remarkable preservation. It included the massive black bulk of the 40,000-ton liner covered with rust-like rivets of red, orange and yellow rust, with the original brass fittings on deck polished by a half-mile-per-hour current. But the team from Woods Hole Oceanographic Institution, a private research organization in Massachusetts, found no remains of the 1,593 passengers who died when the 883-foot Titanic hit an iceberg and sank within three hours on the night of April 14, 1912.

For Ballard, a 41-year-old geologist, the two-and-a-half-day, 10,000-mile, three-man submarine called Alvin was a mild disappointment after last year's thrilling first look at the wreck. Last September Ballard guided a remote-controlled camera around the Titanic and captured startling images of

the 300-foot gash along the bow that occurred when it struck the iceberg. The camera also recorded unbroken plates and uncapped bottles of wine littering the maddy bottom nearby. But last week Ballard said the ship was in much worse condition than the 1985 photos had indicated. He added,



Chandelier (first) captured from the ship's "swimming eyeball"

"It's a disappointment how extensively the shipwreck has eaten the wood around the ship."

From the research vessel Albatross II, Ballard recounted the expedition's successes to reporters at Woods Hole by ship-to-ship radio. He said Jason Jr. had sounded the ship's gunnery, the officers' quarters and the promenade area as well as the lookout post on the ship's forward mast. Said Ballard: "We could see where the two sailors were standing when they spotted the iceberg."

On the third dive of the week the

team spent nine hours on the central but less glamorous purpose of the journey: testing Jason Jr. for the U.S. navy, which provided \$900,000 to fund the expedition. The orange, self-propelled robot, about the size of a lawn mower, takes still photographs as well as television pictures, which reach its handlers aboard the submarine through a 250-foot electronic cable. And Ballard said his expedition may forestall any additional explorations of the Titanic. Said Ballard: "When they get access to our data, they'll see more than they ever want to see."

After exploring the bow section of the sunken ship, Ballard moved on to the stern and examined an 800-yard-long field of debris that the Titanic spilled when it broke in two as it sank. Later, Ballard renewed a pledge he made last year that he would not retrieve any relics from the wreck—although china cups lay within two inches of Alvin's mechanical arm. In an interview published in the current edition of *Ocean*, a U.S. science magazine, Ballard declared: "The Titanic is the first graveyard of the deep. I don't expect the Titanic to hit me emotionally [but] there were the empty lifeboat davits hanging there with no boats. They were what all the people who died saw as they were looking for a lifeboat—empty davits."

At week's end, Ballard yielded his seat aboard Alvin to other scientists eager to explore a wreck which now carries two bronze plaques—commemorative tablets which Ballard placed there on his last dive. One plaque honors the disaster's victims, and a message on the second asks that "any who may come hereafter learn undisturbed this ship and her contents as a memorial to deep-sea exploration." Like the Titanic's own polished fittings, those plaques should shine in the deep for years.

—KEVIN SCANLON with correspondents
PHOTO BY AP/WIDEWORLD



Good taste is why you buy it.

Ballantine's

Mutiny and love on a literary voyage

THE STORY OF A
SHIPWRECKED SAILOR

By Gabriel García Márquez
(Random House, 304 pages, \$18.95)

Too often, publishers recycle the same kind of great writers for the wrong reasons because the author's name is enough to guarantee large sales rather than because of the work's literary merits. Whether that was the case with Gabriel García Márquez's *The Story of a Shipwrecked Sailor* is unclear. In his limply forward to the book, the author says that it was. In any case, readers have cause to be grateful. The book contains a fascinating memoir first published in newspaper installments three decades ago, recounting 30 hectic days in the life of an obscure young Colombian sailor. When García Márquez wrote the original newspaper pieces, he chose to tell the sailor's story in the first person and did not even reveal a phantom's name. But he has since become one of the world's most widely read writers and winner of the 1982 Nobel Prize for literature.

Unsublimated, the central story is so astonishing that it is easy to understand why it attracted a reader in 1955. In February of that year, eight crew members of the Colombian naval destroyer Caldas were swept overboard in heavy seas while crossing the Caribbean from Alabama to Colombia. Only one sailor, 30-year-old Luis Alvarado Velasco, survived. He spent 10 days without food or water on a life raft, assailed by the sun and harassed by huge sharks. Finally washed ashore, he became a national hero.

Like a survivor to be a godsend to *El Espectador*, an opposition newspaper in Colombia's capital, Bogotá. When Velasco walked into the newspaper office offering to tell his story, García Márquez was assigned to interview him and write his tale. By the time the paper had published the 14th and final installment of the collaboration, the two men had mounted overwhelming proof of shocking naval negligence. Most damning was the fact that the warship had been carrying an ill-secured contraband cargo of U.S. explosives and had left without its crew in danger. Outraged, Colombia's ruling dictatorship forced *El Espectador* to shut down and drove Velasco out of the navy. Offering a very sincere of that political aftermath, García Márquez's forward,

The Story of The Ship, is a delight. But it is the way that García Márquez has retold the sailor's saga itself that makes the book special. The author writes that "Velasco had feared a hero who had 'an exceptional instant



Gabriel Márquez, unofficial ambassador

for the art of narrative, an astonishing memory and ability to synthesize." In turn, the writer lifted his material above the level of competent, detached chronology to float his readers on a dreamlike sea containing real sharks. For Velasco, it was the end of a literary voyage. For García Márquez, it was only the beginning.

—DAN CUMMINS

Gabriel García Márquez's most recent book to appear in English—*The Story of a Shipwrecked Sailor*—is winning widespread praise across North America. Meanwhile, his most recent novel, *Love in the Time of Cholera*, has already sold two million copies since its simultaneous publica-

tion in the Spanish-speaking world in December, 1985. Still, when Márquez recently interviewed the author in Bogotá, capital of his native Colombia, he complained, "I have lost my right to privacy. I don't wish fame as anyone." He began his writing career in 1946, at the age of 30, as a local reporter in a small newspaper in Barranquilla, a Colombian provincial city. He moved on to newspaper jobs in Bogotá, Paris, Caracas, New York City and Mexico City. Still, literary success did not come until after 1967 novel, *One Hundred Years of Solitude*, became a best-seller. Translated into more than 30 languages, it transformed him into one of the world's most celebrated authors.

Despite that, he retained his love of journalism. After winning the 1982 Nobel Prize for literature, he announced that he would use the \$200,000 prize money to establish a newspaper in Colombia. He says that his main motive was to "enjoy the almost heretofore unknown to report all the news, and not only a subjective selection of events." Early in 1983 he hired an editor and began assembling a team of 20 reporters, all of them under 30. That is as far as the project went. García Márquez will not discuss why he abandoned the venture, but many Colombian suspect that the army pressured him for his alleged sympathies with the country's left-wing guerrillas.

Yet it is difficult to place García Márquez as an ideological slat. A friend of Cuban leader Fidel Castro, he publicly defies himself as a man "committed to socialism." But he says that he is skeptical about doctrine and socialist literature. "Latin Americans want more than a utopian revolution of the oppression and injustice they know so well," he said. "A love story is as valid as any other. The only duty of a writer—a revolutionary writer, if you wish—is to write well."

He and his wife, Mercedes, live in a four-story house in Bogotá City, maintaining apartments in Paris and Bogotá. A constant traveler, García Márquez has on occasion assumed the role of unofficial ambassador among Latin American governments at offering political beliefs. Indeed, Colombia's president, Beltrán Betancur, has claimed that García Márquez has the rare ability to deliver negative communications in a palatable way. It is the gift of a great novelist, too.

—WILSON BEEBE in Bogotá



Director Norman Jewison, MacDonnell: "A signal that we are back in business."

THE ARTS

A minister's première

Flores MacDonnell's first serious test was a success last week in her new role as minister of communications. MacDonnell faced 800 members from 27 of Canada's film and television organizations at a reception organized by the Canadian Film and Television Association. Rising from her chair in a Toronto roofing restaurant, MacDonnell said, "Ladies and gentlemen, this is my first public statement as minister of communications." Then, she outlined her commitment to the beleaguered National Film Board (NFB) of Canada, whose fate had been in doubt, and announced the creation of a new feature-film fund. The film community welcomed the fund—as an initiative developed by MacDonnell's predecessor, Marshall Hall, who became minister of energy, mines and resources in a June 30 cabinet shuffle. As the new minister sat down to lead applause, she could scarcely have wished for a better-organized debut.

Canadian film producers, distributors and exhibitors also have cause for satisfaction. Over the next five years, MacDonnell's fund will make \$35 million available each year to increase Canadian movie production by 25 per cent, to 30 or 40 films a year. To bridge the gap between Canada's two film industries—in Quebec, the other outside it—MacDonnell stipulated that \$3 million annually be set aside from the fund to improve the quality and efficiency of dubbing French films into English and vice versa. Most significantly, she took up the banner of cul-

tural protectionism that Messie had carried before her. Said MacDonnell, a member of the so-called Red Tory faction of her party: "The question of Canadian sovereignty is not at issue in any trade talks. That's just a nonstarter."

As for the NFB, the government recently cut its \$40-million annual budget this year by \$5 million and even questioned its future funding. MacDonnell's announcements represent the first positive support the NFB has received during 22 months of Tory rule. The fund will forge a new partnership between the board and Telefilm Canada, the federal broadcast production agency, and for the first time the NFB will be eligible to collaborate as private-sector production funded by Telefilm. Said NFB commissioner François Maclellan: "This is a clear signal from the minister that we are back in business."

The NFB will also be involved in developing the new dubbing technology. Dubbing was an accepted fact of TV viewing life in most non-English-speaking countries that import U.S. programs. But North American audiences have resisted watching shows that have been dubbed into English. Montreal producer Jack Demers' *The Day After Tomorrow*, the NFB's president of the Quebec Film and Video Producers' Association, says that better dubbing will enable Quebec film-makers to break into the lucrative international anglophone market. He added that by phasing the dubbing at the time of

shootings, and using expensive new mixing techniques, films can be dubbed as successfully that audiences may not even realize it has occurred. Quebec film producer Mario-José Raymond (*The Tin Flute*) underscored both English and French film industry's need for the new dubbing policy. Said Raymond: "The added market potential this brings can only be a boost to both sides."

MacDonnell also had cheerful words for the country's struggling film and television producers. From now on, she said, Telefilm will only finance movies if they are scheduled for theatrical release in Canada by Canadian distributors. That is an aggressive stance that is likely to raise hackles in Hollywood: the powerful major distributors are sure to press for continued free access to the \$900-million Canadian video and film consumer market, which they have traditionally dominated.

With her announcements, MacDonnell has signalled the Americans that she prepared to act as an aggressive cultural nationalist as Messie. And she has already won early fans in the film community. Now, the industry will be watching anxiously for the government to produce a sequel.

—ROY SHEDDEN in Toronto with
ANTHONY WILSON SMITH in Montreal

MACLEAN'S BEST-SELLER LIST

Fiction

- 1 *A Prophet Spoke*, by Garth (1)
- 2 *The Bourne Supremacy*, Leinster (2)
- 3 *Power of the Sword*, Smith (2)
- 4 *Last of the Breed*, J. Moore (2)
- 5 *Till We Meet Again*, Krentz (3)
- 6 *The English Commandment*, Stoddard (6)
- 7 *A Matter of Honour*, Archer (6)
- 8 *Like Doves with Lions*, Pinder (7)
- 9 *Act of Will*, Brundage (7)
- 10 *The Mammot Hunters*, Aust (10)

Nonfiction

- 1 *Fatherhood*, Goff (15)
- 2 *Fit for Life*, DeGaulle (15)
- 3 *Deception and Deceit*, (17)
- 4 *The Hidden Face*, Krentz (17)
- 5 *100 Best Companies to Work for in Canada*, Jones, Perry & Egan (17)
- 6 *The Fall of the Roman Empire*, Luciano (16)
- 7 *Walls & Windows*, Lester 1970 1971, edited by Block (1)
- 8 *Invention*, Foster (2)
- 9 *Calligraphy*, Pinsky with Dalton (7)
- 10 *James Herriot's Dog Stories*, Herriot (3)
- 10 *Star Trekling*, Evans with Morgan (20)

(1) Previous list over 100 weeks
—Compiled by Frances McElroy

The year's most bitter harvest

By Allan Fotheringham

The pressure cannot be withstood any longer. The incessant demands are too much. The cries for fair play smother my ears and tear at my heart. Justice must be done. The appeals must be halted. There is no denying their justice.

I speak, of course, about the annual justification for turnout—this being a most democratic page as you know—and the tradition of the readers harping their say. It is harrowing to the soul to look on our readers' really think from J. Daneker of

Lantzville, B.C., we have. "Fotheringham, I know you are bloody thin on talent and you've stolen everything you write from somebody else, but can't you even do your own basic research? The Statue of Liberty was originally built to serve as a lighthouse at the south end of the Bore Canal and when that idea was discarded it was fastened off on the Americans. And another thing, I know there is nothing you can do to control your gress but surely you could, in all decency, wipe that smug smirk off your face when you appear on Front Page Challenge."

From Bill Story of Oakville, Va. "Mr. Fotheringham, Sir: I am now able to understand why some Canadians got very upset with you and your habit of dishing off words without taking a really close look at where the words, sentences, half-sentences or otherwise, fall. Half-said remarks recently include the one about being able to buy guns at the corner store here in the U.S. Now, I realize that buying guns in the Canadian scene is widely different and much more controlled by the central Gostapo—sorry and other policing establishments. That doesn't seem to keep Canadians from having guns—especially those who should not have them. Nor am I denying that if I want to go to Interarms in Alexandria and buy me a gun, I can. Or go to Best's here in Fairfax County and buy a rifle. But last time

Allan Fotheringham is a columnist for Southern News.

I checked, I could buy neither Playboy or a pistol at 5-Brownie's, the 'exclusive' fishing club in Newfoundland—I've been there, so have you—can't really be that exclusive, can it?"

Alan Hazel from Vancouver. "Having a birth certificate listing Southwestern as place of birth entitles you to wonder in awe from a flatlands perspective. And at your less-than-navel height, that covers an awful lot of territory. That same perspective, carelessness, advanced age, or distance, has guided your column. An evidence in your June 3 Bill Ren-

turns you could relax and drink with the old drinkers at the Bingham, and once cackles and tea reminiscence about your aquarria through this forested and politically-riven tundra we call Canada."

Dr. William J. Joy writes from Surrey, B.C. "Dear Mr. Fotheringham: In view of your column (June 3, 1980) you may be interested to know that I defeated the College of Physicians and Surgeons on the charges that you mention in the Supreme Court of B.C. The College have now withdrawn their Appeal against that decision. Of course your column is libellous but I have had more important battles to fight and therefore that aspect with you is closed. If ever you are in England please come to our holiday place in the country and try to throw a cricket ball from our garden to Bannock. If you succeed we will buy you dinner. If not, the bears will be on you. Start training now, the distance is three miles!"

From Mr. Fooking Puky in Winnipeg. "Dear Mr. Fotheringham: You have played your own organ so long it has effected your mind as your article 'Prudes' You have hit the bottom and I'd advise you to get a ticket to Roma where all the other U.S. haters live and they don't read libels. We have decided not to buy any more McLennan with the last page picture of a libelist."

From Tucson. "Mr. Allan Fotheringham: Everything that was stated in the previous letter still stands. You really don't recognize all that much mail, but neither are you stupid enough to consider the effect of another libel. You are a tired old hack! You've been slacking away at your column for years, not really getting anywhere, just pumping off the words, so fill in paper, and get your pay cheque! You haven't stated anything important to humanity YET. As I said, everything still stands, however now it will be with a difference—YOU'RE A LOSER! And with gratitude to LOSE—your actions and attitudes CONFIRM IT!"

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